United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

Vol. 142 WASHINGTON, MONDAY, MAY 20, 1996 No. 71

House of Representatives

The House met at 2 p.m. and was called to order by the Speaker pro tempore [Mr. LAUGHLIN].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 20, 1996.

I hereby designate the Honorable GREG LAUGHLIN to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

At the first moments of dawn we are reminded, O God, that Your grace has come upon us, as free and as available as the morning Sun. When the cool of the evening ends the day and the rush of business is hushed and the tumult of all life's concerns is at ease, we are reminded of the rest and the peace that Your word does give. For all these gifts and Your daily blessings we offer this word of prayer and thanksgiving. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Virginia [Mr. WOLF] come forward and lead the House in the Pledge of Allegiance.

Mr. WOLF led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2066. An act to amend the National School Lunch Act to provide greater flexibility to schools to meet the Dietary Guidelines for Americans under the school lunch and school breakfast programs.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1296) ''An Act to provide for the administration of certain Presidio properties at minimal cost to the Federal taxpayer,'' disagreed to by the House, and agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MURKOWSKI, Mr. DOMENICI, Mr. NICKLES, Mr. JOHNSTON, and Mr. BUMPERS to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1005. An act to amend the Public Buildings Act of 1959 to improve the process of constructing, altering, and acquiring public buildings, and for other purposes.

S. 1710. An act to authorize multiyear contracting for the C–17 aircraft program, and for other purposes.

The message also announced that pursuant to section 4355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints Mr. KOHL, from the Committee on Appropriations, to the Board of Visitors of the U.S. Military Academy vice Mr. REID.

MESSAGE FROM THE SENATE

The SPEAKER pro tempore laid before the House the following message from the Senate:

Ordered, That the Secretary of the Senate be directed to request the House of Representatives to return to the Senate the bill (H.R. 2202) entitled ''An Act to amend the Immigration and Nationality Act to improve deterrence of illegal immigration to the United States by increasing border patrol and investigative personnel, by increasing penalties for alien smuggling and for document fraud, by reforming exclusion and deportation law and procedures, by improving the verification system for eligibility for employment, and through other measures, to reform the legal immigration system and facilitate legal entries into the United States, and for other purposes'', including the Senate amendment thereto.

The SPEAKER pro tempore. Without objection, the request of the Senate is agreed to, and H.R. 2202, together with the accompanying papers, will be returned to the Senate.

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
May 17, 1996.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope from the White House on Friday, May 17th at 3:00 p.m. and said to contain a message from the President whereby he notifies and transmits a Supplementary Agreement on Social Security between the U.S.A. and Austria.

With warm regards,

ROBIN H. CARLE,
Clerk, U.S. House of Representatives.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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SUPPLEMENTARY AGREEMENT BETWEEN UNITED STATES AND REPUBLIC OF AUSTRIA ON SOCIAL SECURITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–217)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States

Pursuant to section 233(e)(1) of the Social Security Act, as amended by the Social Security Amendments of 1977 (Public Law 95–216, 42 U.S.C. 433(e)(1)), I transmit herewith the Supplementary Agreement Amending the Agreement Between the United States of America and the Republic of Austria and Social Security (the ''Supplementary Agreement''). The Supplementary Agreement, signed at Vienna on October 5, 1995, is intended to modify certain provisions of the original United States-Austria Social Security Agreement, signed July 13, 1990.

The United States-Austria Social Security Agreement is similar in objective to the social security agreements with Belgium, Canada, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Such bilateral agreements provide for limited coordination between the United States and foreign social security systems to eliminate dual social security coverage and taxation, and to help prevent the loss of benefit protection that can occur when workers divide their careers between two countries.

The Supplementary Agreement, which would amend the 1990 Agreement to update and clarify several of its provisions, is necessitated by changes that have occurred in U.S. and Austrian law in recent years. Among other things, it would introduce a new method of computing Austrian benefits under the Agreement that will result in higher Austrian benefits for certain people who have divided their careers between the United States and Austria. Another provision in the Supplementary Agreement will allow U.S. citizens hired in Austria by U.S. Foreign Service Posts to be covered by the Austrian Social Security System rather than the U.S. system. The Supplementary Agreement will also make a number of minor revisions in the Agreement to take account of other changes in U.S. and Austrian law that have occurred in recent years.

The United States-Austria Social Security Agreement, as amended, would continue to contain all provisions mandated by section 233 and other provisions that I deem appropriate to carry out the provisions of section 233(c)(4).

I also transmit for the information of the Congress a report prepared by the Social Security Administration explaining the key points of the Supplementary Agreement, along with a paragraph-by-paragraph explanation of the effect of the amendments on the Agreement. Annexed to this report is the report required by section 233(e)(1) of the Social Security Act on the effect of the Agreement on income and expenditures of the U.S. Social Security program and the number of individuals affected by the Agreement. The Department of State and the Social Security Administration have recommended the Supplementary Agreement and related documents to me.

I commend the United States-Austria Social Security Agreement and related documents to the Congress.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 17, 1996.*

COMMUNICATION FROM THE HONORABLE DUNCAN HUNTER, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable DUNCAN HUNTER, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 17, 1996.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that a member of my staff has been served with a subpoena issued by the Superior Court of California, County of San Diego.

After consultation with the General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

DUNCAN HUNTER,
Member of Congress.

TRIBUTE TO ADMIRAL MIKE BOORDA, ONE OF OUR GREAT NAVAL OFFICERS

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute.)

Mr. MONTGOMERY. Mr. Speaker, I commend you for being the Speaker today from the 14th District of Texas. We will miss you.

Admiral Mike Boorda was laid to rest in Arlington Cemetery Sunday, where only his immediate family were present. Tomorrow, Tuesday, at 11:30 a.m., memorial services will be conducted for Admiral Boorda at the National Cathedral in Washington.

Mike Boorda will be remembered as one of the great naval officers. The morale and quality of the enlisted naval personnel is the best I have seen it in my 30 years with working with the Navy. Admiral Boorda deserves a lot of the credit for the esprit de corps of the Navy fleet.

I know we have the best Navy in the world today. I wish someone would show me a Navy that is better. We will all miss Admiral Boorda, especially our young sailors who are protecting our freedoms around the world. Our thoughts and gratitude go to Bettie and the family. God bless.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

UNITED STATES JOBS AND TECHNOLOGY BEING EXPORTED TO CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, today President Clinton announced that he was going to ask Congress to renew most-favored-nation status with China unconditionally for the coming year. Unconditionally. As you know, Mr. Speaker, under the law the President must request a special waiver for China in order for China to have most-favored-nation status. That request comes to the Congress, and then Members have the discretion to have a motion to deny.

The President in his statement today talked about trade with China leading to democratization. There he talked about why it was important for us to have most-favored-nation status with China, because of American benefits to American business, because of China's potential cooperation over Korea and China's potential cooperation on the proliferation of weapons. Indeed, if China is a responsible country, and let us hope that it is, it should be working to keep the Korean peninsula nonnuclear, and it should be working to stop the spread of nuclear and other weapons of mass destruction.

But I want to focus today on the trade deficit itself because when others say why should we use trade as a lever to improve human rights in China, I think it is very important for all of us to understand just what that trade situation is.

I have here, Mr. Speaker, and I call to our colleagues' attention, a chart of the trade with China in the past 10 years. In 1995, the United States trade deficit with China was $10 million. In 1995, the trade deficit was just under $34 billion. This is all at a time during mostly the Bush and Clinton policies which said that this was going to be good for American jobs. Indeed it is not.

In fact, Mr. Speaker, what we are doing, the United States is doing, by its policy is exporting jobs to China.

In this trade deficit we are not even including the piracy of American intellectual property. The genius of America, as our colleague, Congresswoman ESHOO said, a product made in a free system, a freedom of expression and entrepreneurial spirit. The Chinese have been pirating flagrantly our intellectual property to epidemic proportions.

That is not even counted in this trade deficit.

In addition to that, when American businesses enter into agreements with China to produce goods there, they also must agree to a program for exporting back to the United States and internationally as well as a transfer of our technology, and that is again exporting jobs.

One example of that is that a few years ago Boeing closed a plant in Wichita, KS, which made the tail section of the 737. That plant was closed, and a plant in China where 20,000 Chinese workers worked for $50 a month, they now produce the tail section which was formerly made in Wichita, KS, and this is just in the last few years.

So over the next month or so as we debate this issue, I think it is important for us to have the real facts about United States-China trade. Indeed why should we give preferential trade treatment to China when they for the most part do not even allow United States products into China; barriers to market access, piracy of intellectual property, transfer of technology as a term for doing business with the Chinese, export of prison goods made by prison labor to the United States and unfair competition to the American worker as an addition to being a violation of human rights.

Why should the American worker have to compete with slave labor? It just is not fair trade; it is not free trade.

So as we go forward, many of my colleagues and I will be laying on the table what the trade picture is. It is not a rosy one. It is about profits for certain elitist companies which are allowed to export to China. Most products made in America are not allowed into China.

The President says that economic reform will lead to political reform. I reject that kind of trickle-down liberty just as I reject other trickle-down policies in our country. But the fact is that you cannot in one breath say that promoting democracy in Asia is a principle and a pillar of our foreign policy there and that we are going to shed the light of democracy on what goes on in China and then not do it at all.

And then I know that my time is drawing to a close. I just want to say this is an opener. The President made his statement today. They will have, the President has, the power, the business community has the dollars, but we in Congress have the floor, and we are going to try to educate the American people and our colleagues as to the real extent in terms of jobs for the American workers.

I urge our colleagues to listen carefully to this debate and to keep an open mind.

□ 1415

CHINA'S MOST-FAVORED-NATION STATUS

The SPEAKER pro tempore (Mr. LAUGHLIN). Under the Speaker's announced policy of May 12, 1995, the gentleman from Viringia [Mr. WOLF] is recognized for 60 minutes as the designee of the majority leader.

Mr. WOLF. Mr. Speaker, I hope all the Members listened to what the gentlewoman from California [Ms. PELOSI] said on the trade issue. We are losing big time. I thank the gentlewoman from California for her statement and letting the Members take a focus on that.

As the gentlewoman said today, the President announced before the Pacific Basin Economic Council that he is going to extend most-favored-nation trading status to the butchers of Beijing, who have done so many things. We are not surprised that he made that announcement, because this administration has flip-flopped on this issue of human rights, but I want the American people, but more important, everyone, to focus as they are listening to the President and they talk about MFN on what they should think about when they hear the words ''MFN.''

When we hear MFN, and we will hear the business community and the Clinton administration and we will hear others in certain Republican leadership positions say they want MFN, we have to think of the following: We have to think MFN, then think of the suffering evangelical Christians in China who, according to Freedom House, have said ''This is the most repressive period since the pre-Deng period in the late 1970's.'' So when you think of MFN, think of the evangelical Christians that are being persecuted.

Mr. Speaker, we should also remember that in 1995 the Chinese Government intensified its crackdown on religious believers by enacting strict new laws restricting religious worship. I know you did not hear that in the President's speech, and I know you will not hear that by the leadership of both sides of this Congress; but when you hear MFN, think of religious crackdowns.

Mr. Speaker, did my colleagues know that the officials in China's Religious Security Bureau said that house churches, China's system of unofficial Protestant and Catholic churches, should be pulled up by their roots, and a Hong Kong newspaper reported last month on many new reports of harassment of Protestants and Catholic believers in certain areas of China. Think of that when you think of MFN. Remember that the police have vowed to hit and eradicate five Christian-based religious groups in the Anhui Province in China. When you think of MFN, think of that.

My colleagues should also know that an American missionary reported earlier this year that the Chinese Government was circulating an arrest warrant with the names of 3,000 Chinese evangelical preachers and house-church movements. When Members on both sides think of MFN, think of that.

Remember that in February and March of 1996 in the Baoding region of the Hebei Province, authorities went school to school weeding out Catholic students and teachers, and ordering them to join the State church. Students who refused were kicked out of school, and teachers who refused were demoted or fired. You did not hear that in the President's statement today before the Pacific Economic Council, oh, no, but you should remember it as you think of MFN.

Remember that in November 1995, 150 public security officers destroyed a newly built Catholic Church in Baoding Province and severely beat 7 Catholic construction workers. This was the fourth incident in 16 months. You did not hear that in the President's speech, but Members on both sides of the aisle should remember that when they think of MFN.

Remember that scores of priests and religious believers were detained during the First Lady's visit to Beijing in September 1995 in order to silence them. We never heard anything about that from anybody in this Congress who is concerned, talking about giving MFN. When you think of MFN, think of Bishop Jingmu, a 76-year-old Catholic bishop who was arrested in November and secretly sentenced to 2 years in prison without a public hearing.

When you think of MFN, think of Bishop Su Chimin, a Catholic bishop in the Baoding diocese, who was rounded up in 1994, after the gentleman from New Jersey, Mr. CHRIS SMITH, visited him in China, and beaten severely in prison. He was rearrested in March 1996, this year, March 1996, and is being held incommunicado without charge.

Think of these things, I would urge my colleagues on both sides. If the administration has forgotten about them, we should not forget about them. Think of these things.

So when you think of MFN, think of religious persecution. Then, when you think of MFN, think of Tibet. When you think of MFN, remember that the Government of the People's Republic of China tightened its grip on Tibet in 1994 and 1995 by restricting religious practices of Tibetan Buddhists. Remember that Tibetan monks and nuns were reportedly required to strip off their clothes before beatings, and are routinely raped in jail. Over 50 percent of Tibetan prisoners of conscience in detention by Chinese authorities are monks and nuns. You did not hear that today when the President spoke. You will not hear that when Members of Congress get up and say they want MFN, but you should think of MFN persecution in Tibet.

Remember that the Chinese Government restricts the number of monks and nuns allowed in Tibetan monasteries, sharply restricts teachings in the church, and sharply curtails renovation of buildings and monasteries.

So when you think of MFN, think of what goes on in Tibet.

Mr. Speaker, I yield to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I want to support the gentleman's very strong statement about human rights in China. Unfortunately, in the President's speech today, he made a statement which I think, while his statement about most-favored-nation status for China was no surprise, it surprised me that he would go to the length of saying, ''Where we differ with China, and we will have our differences, we will continue to defend our interests. We will keep faith with those who stand for greater freedom and pluralism in China.'' I have not seen that happen, but the President declared that.

But this is the discouraging part: ''As we did last month, in cosponsoring the U.S. resolution condemning China's human rights practices.'' Something else you did not hear in the President's speech was that the administration's resolution was a total failure; that the administration failed to rally the vote to even get the resolution to be heard; that the Chinese succeeded in using, with their economic leverage, other countries to join them in tabling that resolution. That is something else we did not hear in the President's speech.

Frankly, with all the respect that I have for the President, and I think he is a great president, I was embarrassed for him, that he would even bring that up and think that that would be something that he could boast of as promoting human rights in China.

It would be interesting to see, where he says they are going to stand with those who stand for greater freedom and pluralism in China, that simply has not happened yet. That is probably what this debate is about, is to say to the administration, let us see what you are going to do.

We know that it is almost impossible to override a Presidential veto on most-favored-nation status, so China will have most-favored-nation status. So this debate is not about isolating China and cutting off MFN, as others will characterize it. It is about who we are as a people.

Mr. Speaker, if we say, as this President does, that he should have an embargo on Cuba, which I do not agree with, that we should have an embargo on Cuba and that is going to create democracy in Cuba, how can he then say that we cannot even raise tariffs on certain products coming in from China in order to use our leverage?

As the gentleman knows, over one-third of the products for export made in China come into the United States, so China needs our marketplace. They need the preferential treatment MFN, most-favored-nation status, gives them, and the President could use that considerable leverage as a way of shining a light on pluralism and democratic reform in China.

It is not up to us to decide what form of government China has, but it is a universal tenet that we believe that people are worthy of respect and have a right to practice their religion. I want to get back to your point about religious repression in China, which is rampant, and Tibet, which is rampant.

Actually, the most recent report that I saw was in yesterday's paper about the Chinese Government cracking down on the Tibetan monastery right outside of Llasa. The Chinese Government decided it will choose the Panchen Lama and intervene in the succession in a religion. Imagine if the government of Italy decided they were going to choose who the next Pope was, the uproar that would go up around the world. But the Chinese Government is trying to intervene in the succession within the Buddhist religion. Of course, as we all know, they have a full-fledged, full-blown public relations campaign to undermine His Holiness, the Dalai Lama.

So for issues of what is going on in Tibet and what is going on in China, it is clear that we must, as a country, be true to our values and speak out on these issues, and demand in the course of a debate on whether China will have most-favored-nation status what our Government is tangibly going to do to advance freedom throughout the world, including China and Tibet.

The other point is that freedom does exist in parts of China now. if you believe in the one-China policy, then Taiwan has a thriving democracy. And just today, but yesterday in terms of the international clock, the Chinese on Taiwan inaugurated their first democratically elected President in the history of China. Hong Kong, as we know, is going through a transition. Democratic freedoms exist there.

In 1 year China will take over the governance of Hong Kong. It will be incorporated back into China. Let us see what this administration and this Congress is willing to do to preserve democratic freedoms where they exist now, in Hong Kong and in Taiwan, and what kind of leverage we are willing to step up to the bat and use in order to preserve those freedoms, and in doing so, validate the whole idea of freedom in China.

From my own personal observation, I know that the most discouraging part of the President's announcement today was that he was ill-advised by his advisers or somehow thought that it was OK to say that our commitment to pluralism and democratic reform in China was served by our offering a resolution which we did not get behind sufficiently, which we allowed the Chinese to use economic leverage against, which was tabled, which was a humiliation for the United States and for the Western allies in the United Nations. It calls into question the very need for a U.N. Commission on Human Rights, if the Chinese can exploit the situation to that extent, that there is not even a resolution that can be heard there.

Mr. Speaker, in terms of human rights, even the President's own country report of the State Department this year has stated very clearly that economic reform has not led to political reform; that the repression continues, and my reading of that is that this policy has not worked in terms of promoting human rights in China.

But we are going to have a month or so, I say to the gentleman from Virginia, where we can put the facts on the table for the American people and this Congress to see. People will have the opportunity to vote. It does not mean if you vote for MFN or against it that you are for or against human rights in China, but it does say how far you would be willing to go on that issue.

As I say, fundamentally, if we just argued this on the trade issues, China should not have most-favored-nation status, because they do not give it to the United States, because they have barriers against our products, they pirate our technology and intellectual property, they insist on the transfer of technology, in the course of trade they insist on a plan for export on anybody manufacturing in China in joint ventures, and they export products made by slave labor to the United States. All of this undermines our international competitiveness.

So this administration can no longer say they are shining the bright light of freedom on China, instead of using MFN. They can no longer say this is about jobs, because the figures simply do not lie in that direction. America has been losing jobs on the basis of its policy with China.

Then on the issue of proliferation, that is just really a sad one, because in any given day the most serious thing that could happen is that there will be proliferation of nuclear weapons technology. The Chinese Government has not been taken to task on this. This administration has taken a sort of a silent, tacit agreement that they will not proliferate nuclear technology to unsafeguarded countries, and called that a great diplomatic victory. That is the reason they said they did not put sanctions on the Chinese national nuclear corporation, which is the company that transferred the magnet rings.

The administration wants to believe that the Chinese Government did not know about the transfer of the magnet rings. Let us agree with them for a moment. Maybe they did not. I believe they did, but let us take the administration's position for a moment. There is no question, and it is an undisputed fact, that the Chinese national nuclear corporation knew exactly what it was doing when it sold the ring magnets for centrifuge to enrich uranium to Pakistan for their nuclear program, making the world a less safe place.

In doing so, the administration called the Eximbank and said to the Eximbank, ''You are now free to provide loan financing with American companies doing business with the Chinese national nuclear corporation.'' A

deal was in the pipeline that went forward. Imagine, it was well known that they had transferred the nuclear technology, and right now, today, American taxpayer dollars are subsidizing a deal with that very corporation because the administration did not want to sanction them.

□ 1430

Then of course the list goes on about Iran. Our country has an embargo on Iran, yet looks the other way as China, undisputed fact, has transferred missile technology to Iran and chemical technology, making the Middle East a much more dangerous place. As we spend billions and billions of dollars to promote and preserve the Middle East peace, we are looking the other way and not taking China to task.

It is always a special case. I do not think China should be treated any better or any worse than any other country, but I do think it is important for us to understand how they are being treated and how dangerous it is to the world.

Over and over we have said on this floor that our policy with any country should be to make trade fairer, people freer and the world safer. On none of those scores has this Clinton administration and the Bush administration policy before it met that test.

So I would say that as we go into this time, we have been given a free ride, almost. Because Senator DOLE and President Clinton, the two candidates, the leaders of the parties going into that race, both agree on the same policy, that frees us up not to be taking sides within the Presidential race on China MFN, for Members to follow their conscience, follow the facts.

As I have said before, the President has the power, the businesses have the money, we have the floor and we must use it to shed the light of our great democracy on the repression in China, to shed the light on the unfair trade practices, and to shed the light on the proliferation issues making this world a much more dangerous place.

With that, I thank the gentleman for his great leadership. Those who aspire to practice their religion in China have no greater friend than my colleague from Virginia, Mr. WOLF. I am pleased to participate in his special order, and yield back to the gentleman.

Mr. WOLF. I thank the gentlewoman for her comments. I will go with my statement, but I do want to comment on one thing. She is exactly right, and look how far we have slipped in this country, in both Republican and Democratic Parties, on the issue of human rights.

In 1984 and 1985, if any Member of Congress had gotten up on the floor of the House and said that the Soviet Union should get the most-favored-nation trading status, when Scharansky was in Permanent Camp 35 in the gulags in the cold, snowy Ural Mountains. And when Sakharov was under house arrest, no Member of Congress, no administration would have had the courage, the guts, the stupidity or whatever to ever get up and say that they felt that the Soviet Union should get the MFN.

Now we see people in both parties now saying that China should get MFN, when we see all of these things that have taken place and many more that I will go through before I finish.

The second point is, the gentlewoman makes the case about Hong Kong. What will the Congress and the administration say next year when the Chinese troops come marching into Hong Kong, almost like a World War II movie? What will they say then? I will be interested in what Members of Congress of both parties will say and what this administration will say, or the next administration, if there is a change.

Third, the American people are farther along on this issue than is the Congress or the Clinton administration. The latest surveys and polls show how strongly and deeply the American people care about MFN and China and human rights and nuclear proliferation. I think the latest survey had it will over 70 percent of the Americans were concerned, and yet I wish 70 percent of the Clinton administration was concerned. I wish 7 percent of the Clinton administration was concerned.

So what will they say? And, frankly, if the American people could vote on this issue, China would not get MFN.

Let me move right along. This photo I have here, which I would like to cover, when you hear the President talk about MFN, you must remember, I tell my colleagues, this photo.

When you think of MFN, remember that public executions are taking place in China, where the Government of China routinely executes so-called criminals by shooting them in the back of the head in front of crowds. Remember that school children are herded to execution sites in buses to watch the killings and the workers are given the day off. And remember the executions are carried out as part of an official effort to quiet the masses.

What you have here are security police lined up in back of young men who have been convicted. They are pulling out their pistols, almost reminiscent of a World War II movie of Nazi Germany, and they put the pistols in the back of the heads of these men and they shoot them. They kill them.

I would urge any Member of Congress who wants to know more about this, I have the video, the actual video in my office that we will give to any Member's office to look at this video. What they then do is after they kill these individuals, they take the corneas and their kidneys for transplantation. If the Soviet Union had ever done that, who would have ever gotten up saying that they should get MFN?

Yet we have it on film, and actual shots of soldiers and police killing these people and taking their kidneys out for transplantation. No Member of Congress on either side, whether you are for MFN, whether you are against MFN, whether you are undecided on MFN, no Member of Congress should vote on this issue without seeing the film and the video where the Chinese police and army are killing these people by putting a pistol in the back of their head and shooting them, and later taking them and using their kidneys for transplantation.

Remember when you hear MFN that the kidneys and corneas are taken from the dead bodies minutes afterward and are sold for transplantation for profits for those in the Chinese Government, some as high as $30,000 apiece. I know you did not hear about that in President Clinton's statement. He would not have the courage or the guts to talk about that.

But when you think of it, Members of Congress, on both sides, you have to think in terms of these violations of human rights and executing people before you vote on this issue.

When you think of MFN, remember that the Chinese Government continues to force women to have abortions in an attempt to keep down the population, and deny health and medical care and economic opportunity to families that refuse to comply with these draconian policies.

Remember when you think of MFN, the credible evidence of children each year in Chinese state-run orphanages being denied food and medical care and tied into their cribs to die. I know that was not in President Clinton's statement. I know it was not in his statement, but just remember when you vote on MFN, this is one of the issues that you are dealing with, whether you like it or not.

And proliferation. When you think of MFN, remember that the Chinese Government sold ring magnets to Pakistan that can be used to make nuclear weapons, yes, nuclear weapons that can be pointed against this country or other innocent people around the world.

Remember that the United States Government found out about these controversial sales and urged the Chinese Government to cut it out. They have refused twice. They have said they did not know about the ring magnets. Some confusing signals were sent. Some confusing statements were issued.

In the end, embarrassingly so, the Clinton administration said it reached a deal, a promise from the Chinese Government, a promise from the Chinese Government that they would not do it again, a promise from the Government that has executed people like this that they would not do it again; a promise from the Government that is tracking down women on forced abortions that they would not do it again; a promise from the Government that is putting Catholic priests and bishops in jail, some for up to 35 years, they promised they would not do it again; that is raiding house churches and persecuting evangelicals, that they would not do it again. How much do you

think that promise from the Chinese Government is worth?

And remember when you think of MFN that the intelligence sources indicate that the Chinese Government also sold M–11 missiles to Pakistan and patrol boats to Iran, and remember no sanctions were imposed for these actions. Remember, no sanctions were imposed for these actions.

Remember that on April 17, 1996, the Washington Times reported that Chinese nuclear technicians would be going to Iran to help build a uranium plant that will ''help Tehran's nuclear weapons program.'' Remember that, Members on both sides, when you think of MFN, remember that.

And also remember Taiwan. When you think of MFN, remember that the belligerent Government of the PRC conducted missile tests, military exercises, off the coast of Taiwan just weeks before the first democratic Presidential election in Taiwan's history.

So when you think and hear the words MFN, MFN, it is like a free word or term thrown around this town. Oh, some of the big, large K street law firms will do pretty well representing a few handful of businesses that are doing business in China but, as the gentlewoman from California has stated, it is a bad deal for us.

Economically, trade, blue-collar workers all over the country, from New England to the South, textile workers from the Midwest all the way to the west coast are losing jobs because of this trade.

Our Members should know that Windows 95 was available in pirated version in the streets of Beijing before it was available here, the intellectual property that the Chinese Government are exploiting with regard to American businesses. Remember those things.

And remember all of the other things, that the economic liberalization has done nothing to improve our relations. Remember Harry Wu, how he documents that there are more slave labor camps and gulags in China than there were in the Soviet Union.

I visited Beijing Prison No. 1, where we saw workers working on socks for export to the United States, and they were making jelly shoes that youngsters wear in the United States for export to the United States. Do you think an American company could compete with Tiananmen Square demonstrators working for nothing in a cold, snowy prison where there is no OSHA requirements, there is no EPA requirements, there are no minimum wage requirements? There are no requirements except you meet your quota or else.

So as we think of the word MFN, I hope we will think in terms of all the different issues, from religious persecution, Catholic priests and bishops in jail, evangelical pastors in jail, prisoners working in slave labor, even people working in sweat shops for 12 to 15 hours a day at 9 cents an hour that are taking away American jobs. Yet this administration and some in Congress on both sides of the aisle are clamoring to see that this Congress and this administration gives MFN to China.

I hope and pray that when the Congress votes on this issue this summer there will be a majority of men and women on both sides of the aisle that would join hands and vote to deny MFN for China, even though Clinton may veto the bill. Let it be on his conscience, not on ours. Even though Clinton may allow it to go through and we may not override the veto, let it be a burden that he has to carry, not that we have to carry.

This is, I think, one of the leading moral fundamental issues that this Congress will have to deal with in this country, because we all quote in these speeches we give on July 4 what the Declaration of Independence says. It says, ''We hold these truths to be self-evident, that all men and women are created equal, endowed by their Creator with inalienable rights of life, liberty and the pursuit of happiness.''

They did not come from Congress. It said ''by their Creator,'' their God. These are God-given rights. An individual, a Chinese person, man, woman, or child in China, is as entitled to the rights of freedom of speech and freedom of worship and life, liberty, and the pursuit of happiness as somebody in any other part of the world.

□ 1445

It says in the Bible: To whom much is given, much is expected. And much has been given to our country, because we have stood firm on these fundamental values on both sides of the aisle. I remember when the persecution took place in the Soviet Union, it was Senator Jackson, a Democrat, and Charlie Vanik, a Democrat, that passed Jackson-Vanik to put tight restrictions on the Soviet Union that would not give them MFN. We joined hands in a bipartisan way.

Let us hope when the roll is called, when the roll is called and we are given the opportunity to vote, let us hope that an overwhelming majority, not everyone, we are not going to get everyone, but an overwhelming majority will vote to deny MFN, most-favored-nation trading status, for a country that should not be given a most-favored-nation trading status because of all the very bad and very evil things, not only that it has done, but it continues to do and appears that is will do in the future.

GAS TAX

The SPEAKER pro tempore (Mr. LAUGHLIN). Under the Speaker's announced policy of May 12, 1995, the gentleman from Massachusetts [Mr. MARKEY] is recognized for 15 minutes as the designee of the minority leader.

Mr. MARKEY. Mr. Speaker, first I would like to point out how much in agreement I am with the statements of the gentleman from Virginia [Mr. WOLF] and the gentlewoman from California [Ms. PELOSI] on the issues of China and the extent to which they stand in contempt of the values which this country hold so dear.

There use of slave labor in their country to undercut the prices of goods that are then sold in this country and others around the world is reprehensible. Their sale of nuclear materials to Pakistan and into the Middle East is also reprehensible and will ultimately come back to harm us and harm other countries in the world.

Their pirating of goods from our country, software, intellectual property, while only at the beginning, is going to finally wind up hurting us in the one area which we believe this country should be in the lead in terms of ensuring that we are guaranteeing each child the opportunity to work in these high end skill areas in computers, in software, in telecommunications. These are not areas where we should allow the Chinese to take our intellectual property. What they have done in Taiwan, what they have done in other areas of their foreign policy, all of its is absolutely unacceptable. I hope that the wisdom of Ms. PELOSI and Mr. WOLF are heard here on the floor of Congress.

Mr. Speaker, I rise at this time, however, on a different subject. This week, the House will vote on the 4.3-cent gas tax repeal. This is perhaps the most unnecessary, most misguided legislative back flip of the 104th Congress. President Clinton already acted to break the oil price spiral of this spring by moving against the wishes of the oil industry to speed up the sale of the 12 million barrels of oil from the strategic petroleum reserve.

He has also wisely initiated an investigation into the true causes of the 20- to 40-cent increase that some motorists have been forced to pay at the gas pump in March and April and May. And now, just today, Saddam Hussein has finally accepted the demands of the United Nations for allowing him to sell Iraqi oil on the world market. Oil prices may not finally come down from their 6-year highs, but we have just begun pumping up the hype over cutting the gas tax.

Mr. Speaker, tomorrow the Republican rhetoric will soar. Never mind that most economists say that this 4-cent cut will go right into the pockets of, you guessed it, the oil companies, Even the oil companies themselves have conceded that they are unlikely to pass this tax through to consumers. They intend to keep it, plain and simple. And there is nothing in the package we will vote on tomorrow to prevent the outrageous outcome.

I asked the Rules Committee for an amendment to fix this diversion of the tax cut to the oil companies, but the Rules Committee has prevented me from offering that alternative.

Mr. Speaker, I had a quite simple amendment for this body. If you own a car, all you have to do is just check off

on your tax form next year that you own a car and get back 30 bucks. The average American drives 12,000 miles a year. As a result, at 20 miles to a gallon on average, that is 600 gallons. You multiply the 600 gallons by 4.37 cents, and you get about 30 bucks. That is what this whole debate is about, by the way, 30 bucks.

The simplest way of making sure that the American taxpayer gets it back is just putting it right on the tax form. If we are going to give a tax cut, why would we give it to the oil companies and ask them to perhaps at the pump at some point in the future to see, pretty please, if they would pass it on to the consumer when we can just put it as a line on the tax form? And that way the taxpayer gets it back guaranteed if they own a car and they check it off on the form.

But, no, the Republicans refused to allow that to be made in order as an amendment so that we can make sure that it is the consumer and not the oil companies who get this tax break.

Now, my constituents are appalled that Congress would respond to soaring gas prices by sending a rebate to the oil companies. They just do not trust the oil companies and neither should you. Just this weekend a preliminary study from the Interior Department uncovered a royalty ripoff by the oil companies of over $850 million owed but not paid to the Federal Government, to the Federal taxpayers. Why should we rebate the gas tax to these deadbeat drillers who raise gas prices?

Mr. Speaker, if the Interior Department investigation of the royalty ripoff found $850 million in overcharges, what will the Department of Energy investigation of the gas price rip-off find? Well, guess what. The Republicans are proposing to pay for the gas tax by taking it from the Department of Energy. That is right, they are cutting $600 million from the very agency which is investigating the gas price ripoff. Looks like they want to call off the DOE bloodhounds before they catch up with the oil companies. Not since Hogan's Heroes have we had so many Sergeant Schultz characters averting their eyes from wrongdoing while chanting ''I hear nothing, I see nothing.'' This is the response which we get from the Republican side. But the American people can see it more clearly.

Gas prices go up, oil company profits have gone up. The pay of oil company executives in the last 60 days has been soaring. The top 30 executives at the biggest 6 oil companies have seen their incomes increase on an average of $700,000 just for those 60 days. Investigations of the oil companies get curtailed. Deadbeat drillers do not pay royalties. Congress cuts a tax that has nothing to do with the increases, allowing the industry to make even more.

Let us defeat this unfair rule on the gas tax repeal so that we can amend the bill to ensure that all of the savings are passed on to the consumer. That is, after all, the entire intent of this exercise, to make sure every driver, every owner of every automobile gets back the $30 that the 4 cents a year per gallon represents.

Now, how did we get into this mess? Well, as all consumers know, their oil prices have gone up at the gas pump 20 to 40 cents a gallon in 1996. But the Republicans and the oil companies, they keep pointing back to a 4.3-cent-a-gallon gasoline tax in 1993. Why do they not have the hearings? Why do we not have the investigation into why gas prices went up this year 20 to 40 cents? We know it had nothing to do with that gas tax in 1993. What did it have anything to do with? Well, it had everything to do with the issue of the oil companies keeping their inventories at historic lows. What had happened was, they bet, the oil companies, that Saddam Hussein would be allowed to sell 2 billion dollars' worth of oil each 6 months into the global economy. As a result, what they did was they took their oil stocks that they keep here in the United States, and they reduced them down to 100 million barrels a day below where they historically had had them.

In other words, like a reckless driver on a bet, the industry simply drove with the needle on empty, passing right by any number of global filling stations that were, by the way, awash with oil all last year in this, in a foolish attempt to buy cheap from a terrorist who wanted to sell oil to get money to buy guns, and he would not accept any restrictions upon the sale of that oil in terms of where the profits would go.

Of course, the oil companies are not gambling with their own money. They are gambling with your money. In a free market, the oil industry would be punished for this outrageous behavior by consumers switching to other fuels. But cars cannot be switched overnight to alternatives. So instead of being punished, this inelastic market rewards the negligent parties with higher prices at the pump and higher profits in the board room.

In fact, the personal compensation of oil executives has gone up nearly as fast as the price of gasoline. As I have said, oil company stock, executive stock options rose $33 million in just the last 60 days for the top five executives in the six largest oil companies. They must be crying all the way to the bank.

Mr. Speaker, in the meantime, we have absolutely no response from the Republicans in terms of conducting the hearings that are necessary to find out exactly what did happen. If they did, we would be putting the moral pressure, which we should, upon these oil companies to keep inventory high. We sent 500,000 American men and women to the Persian Gulf in 1991, not to prop up a nascent democracy in Kuwait. No, we did it in order to ensure that the oil supply would come to our country.

The oil companies should not be under price controls, but they should have a moral responsibility to every other industry in this country, to every consumer in this country to keep their tanks filled in case Saddam Hussein or any other dictator in this world decides to play games with our oil marketplace. That is all we ask from them in return for the deployment of 500,000 men and women in 1991, billions of dollars on a yearly basis to keep the oil lines open into our country. If the store runs out of Cheerios, you buy corn flakes. If they do not have orange juice, you buy grapefruit juice. But if there is no gasoline, there is nothing else you can put in your tank and they know it.

The oil companies have no right to conduct themselves in that way, oblivious to the impact it has on our entire economy. That is why oil prices went up 20 to 40 cents at the pump. And that is why this whole debate over the 4.3-cent gas tax in 1993 is a political diversionary tactic by the Republicans intended to ensure that there would be no inspection of what the oil company responsibility is to our country.

So I ask once again for the Republican leadership to give us the opportunity to put in order an amendment which will ensure that the tax break will go directly to the consumers. Under their formulation, it goes to the oil companies. Out of all industries in this country after the last 6 months with their spike, with the spike in the prices that they are able to charge for this one good that goes in every gasoline tank in our country, we should ensure that it does not go into their pockets.

So that is why I rise, Mr. Speaker, and I would hope that my colleagues tomorrow would defeat the rule, which denies us the ability of ensuring that this tax break goes directly to consumers.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FALEOMAVAEGA (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WOLF) to revise and extend their remarks and include extraneous material:)

Mr. WICKER, for 5 minutes, on May 21.

Mr. MCINTOSH, for 5 minutes, on May 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MONTGOMERY) and to include extraneous matter:)

Mr. LANTOS in two instances.

Mr. HAMILTON.

Mr. SCHUMER.

Mr. TOWNS.

Mr. STOKES.

(The following Members (at the request of Mr. WOLF) and to include extraneous matter:)

Mr. SMITH of New Jersey.

Mr. FUNDERBURK.

(The following Members (at the request of Mr. MARKEY) and to include extraneous matter:)

Mr. GINGRICH.

Mr. LANTOS.

Mr. COX of California.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1710. An act to authorize multiyear contracting for the C–17 aircraft program, and for other purposes; to the Committee on National Security; and

S. 1005. An act to amend the Public Buildings Act of 1959 to improve the process of constructing, altering, and acquiring public buildings, and for other purposes; to the Committee on Transportation and Infrastructure.

ADJOURNMENT

Mr. MARKEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 59 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 21, 1996, at 12:30 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3071. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Onions Grown in South Texas; Change in Regulatory Period (FV95–959–3FR) received May 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3072. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Tuberculosis in Cattle, Bison, and Cervids; Payment of Indemnity [APHIS Docket No. 94–133–2] received May 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3073. A communication from the President of the United States transmitting a fiscal year 1997 budget amendment in support of the Israeli Government's requirement for counterterrorism assistance, pursuant to 31 U.S.C. 1107 (H. Doc. No. 104–216); to the Committee on Appropriations and ordered to be printed.

3074. A letter from the Secretary of Agriculture, transmitting the animal report on the Youth Conservation Corps Program in the Department for fiscal year 1995, pursuant to 16 U.S.C. 1705; to the Committee on Economic and Educational Opportunities.

3075. A letter from the Secretary of Health and Human Services, transmitting the Department's report entitled ''Model Comprehensive Program for the Treatment of Substance Abuse, Metropolitan Area Treatment Enhancement System (MATES),'' report to the Congress of the United States fiscal year 1995, pursuant to Public Law 102–321, section 301 (106 Stat. 419); to the Committee on Commerce.

3076. A letter from the General Counsel, Department of Energy, transmitting the Department's final rule—Contractor Litigation Cost Policies; Policies, Terms of Law Firm Engagement, and Allowability of Costs—received May 16, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3077. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rules—(1) Control Techniques Guidelines Document: Wood Furniture Manufacturing Operations (FRL–5507–5), (2) Protection of Stratospheric Ozone; Listing of Substitutes for Ozone-Depleting Substances (FRL–5467–1), and (3) Outer Continental Shelf Air Regulations Offset Remand (FRL–5504–4) received May 16, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3078. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Elimination of Establishment License Application for Specified Biotechnology and Specified Synthetic Biological Products—received May 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3079. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Turkey (Transmittal No. 19–96), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

3080. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to the Taipei Economic and Cultural Representative Office in the U.S. [TECRO] (Transmittal No. 18–96), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

3081. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning a cooperative project with the United Kingdom concerning conventional air-to-ground missiles (Transmittal No. 09–96), pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

3082. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies on international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

3083. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled ''Fiscal Year 1995 Annual Report on Advisory Neighborhood Commissions,'' pursuant to D.C. Code, section 47–117(d); to the Committee on Government Reform and Oversight.

3084. A letter from the Chairman, Cost Accounting Standards Board, Office of Management and Budget, transmitting the sixth annual report of the Cost Accounting Standards Board, pursuant to Public Law 100–679, section 5(a) (102 Stat. 4062); to the Committee on Government Reform and Oversight.

3085. A letter from the Director, Fish and Wildlife Service, transmitting the Service's final rule—Subsistence Management Regulations for Public Lands in Alaska, Subpart D; Subsistence Taking of Fish and Wildlife Regulations; Extension (RIN: 1018–AC82) received May 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3086. A letter from the Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of the Bering Sea and Aleutian Islands Area; Reserve Apportionment [Docket No. 960129019–6091–01; I.D. 050396A] received May 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3087. A letter from the Director, Office of Fisheries and Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of the Bering Sea and Aleutian Islands Area; Pacific cod by vessels using trawl gear in the Bering Sea and Aleutian Islands management area [Docket No. 960129019–6091–01; I.D. 051396A] received May 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3088. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of the Bering Sea and Aleutian Islands Area; Pacific Cod by Vessels Using Hook-and-Line Gear in the Bering Sea and Aleutian Islands [Docket No. 960129019–6091–01; I.D. 051396D] received May 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3089. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of the Bering Sea and Aleutian Islands Area; Other Nontrawl Fisheries in the Bering Sea and Aleutian Islands Management Area [Docket No. 960129019–6091–01; I.D. 051396E] received May 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3090. A letter from the Director, Federal Bureau of Prisons, transmitting the Bureau's final rule—Scope of Rules: Prevention of Acts of Violence and Terrorism (RIN: 1120–AA54) received May 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3091. A letter from the Director, Federal Bureau of Prisons, transmitting the Bureau's final rule—Drug Abuse Treatment Programs: Early Release Consideration (RIN: 1120–AA36) received May 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3092. A letter from the Chairperson, United States Commission on Civil Rights, transmitting a draft of proposed legislation entitled the ''Civil Rights Commission Amendments Act of 1996''; to the Committee on the Judiciary.

3093. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation entitled the ''State Infrastructure Bank Improvement Act of 1996''; to the Committee on Transportation and Infrastructure.

3094. A letter from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, transmitting the Bureau's final rule—Materials and Processes Authorized for the Production of Wine and for the Treatment of Juice, Wine and Distilling Material (93F–059P) (RIN: 1512–AB26) received May 16, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3095. A letter from the Chair, Physician Payment Review Commission, transmitting the Commission's recommendations for the fee update and Medicare volume performance standards for 1997, pursuant to Public Law 101–239, section 6102(a) (103 Stat. 2176); jointly, to the Committees on Ways and Means and Commerce.

3096. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Medicare and Medicaid Program; Criteria for a Rural Hospital to be Designated as an Essential Access Community Hospital (EACH) (BPD–856–FC) received May 16, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); jointly, to the Committees on Ways and Means and Commerce.

3097. A letter from the Administrator, Environmental Protection Agency, transmitting the Agency's report entitled ''The Effects of Great Lakes Contaminants on Human Health,'' pursuant to Public law 101–596, Section 106 (104 Stat. 3004); jointly, to the Committees on Transportation and Infrastructure, Commerce, and Science.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3068. A bill to accept the request of the Prairie Island Indian Community to revoke their charter of incorporation issued under the Indian Reorganization Act (Rept. 104–584). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOODLING: Committee on Economic and Educational Opportunities. H.R. 1227. A bill to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employer owned vehicles; with an amendment (Rept. 104–585). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee on Ways and Means. H.R. 3448. A bill to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take home pay of workers, and for other purposes; with an amendment (Rept. 104–586). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FOX (for himself, Mr. EVERETT, Mr. BUYER, and Mr. HUTCHINSON):

H.R. 3493. A bill to amend title 38, United States Code, to authorize the provision of funds in order to provide financial assistance by grant or contract to legal assistance entities for representation of financially needy veterans in connection with proceedings before the U.S. Court of Veterans Appeals; to the Committee on Veterans' Affairs.

By Mr. CANADY (for himself, Mr. WELDON of Florida, and Mr. HUTCHINSON):

H.R. 3494. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to identify violent and hard-core juvenile offenders and treat them as adults, and for other purposes; to the Committee on Economic and Educational Opportunities, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 835: Mrs. THURMAN and Mr. BACHUS.

H.R. 1024: Mr. ALLARD.

H.R. 1572: Ms. PRYCE.

H.R. 2270: Mr. BURTON of Indiana.

H.R. 2531: Mr. MONTGOMERY.

H.R. 2779: Mr. MEEHAN and Mr. PARKER.

H.R. 3000: Mr. PORTER, Mr. GREEN of Texas, Mr. THOMPSON, Mr. MANZULLO, and Mr. CRANE.

H.R. 3328: Mr. LIPINSKI and Mr. HORN.

H.R. 3346 : Mr. JOHNSTON of Florida and Mr. RICHARDSON.

H. Con. Res. 155: Mr. HORN and Mr. TOWNS.

H. Con. Res. 160: Mr. LIPINSKI, Mr. WYNN, and Ms. JACKSON-LEE.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3259

OFFERED BY: MR. BROWNBACK

AMENDMENT NO. 6: At the end of title III insert the following new section:

SEC. 306. RESTRICTIONS ON INTELLIGENCE SHARING WITH THE UNITED NATIONS.

(a) IN GENERAL.—The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end of title I the following new section:

''RESTRICTIONS ON INTELLIGENCE SHARING WITH THE UNITED NATIONS

''SEC. 110. (a) PROVISION OF INTELLIGENCE INFORMATION TO THE UNITED NATIONS.—(1) No United States intelligence information may be provided to the United Nations or any organization affiliated with the United Nations, or to any official or employee thereof, unless the President certifies to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives that the Director of Central Intelligence (in this section referred to as the 'DCT'), in consultation with the Secretary of State and the Secretary of Defense, has required, and such organization has established and implemented, procedures for protecting intelligence sources and methods (including protection from release to nations and foreign nationals that are otherwise not eligible to receive such information) no less stringent than procedures maintained by nations with which the United States regularly shares similar types of intelligence information. Such certification shall include a description of the procedures in effect at such organization.

''(2) Paragraph (1) may be waived upon written certification by the President to the appropriate committees of Congress that providing such information to the United Nations or an organization affiliated with the United Nations, or to any official or employee thereof, is in the national security interest of the United States and that all possible measures protecting such information has been taken, except that such waiver must be made for each instance such information is provided, or for each such document provided.

''(b) PERIODIC AND SPECIAL REPORTS.—(1) The President shall periodically report but not less frequently than quarterly, to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives on the types and volume of intelligence provided to the United Nations and the purposes for which it was provided during the period covered by the report. Such periodic reports shall be submitted to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives with an annex containing a counterintelligence and security assessment of all risks, including an evaluation of any potential adverse impact on national collection systems, of providing intelligence to the United Nations, together with the information on how such risks have been addressed.

''(2) The President shall submit a special report to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives within 15 days after the United States Government becomes aware of any unauthorized disclosure of intelligence provided to the United Nations by the United States.

''(c) LIMITATION.—The restrictions of subsection (a) and the requirement for periodic reports under paragraph (1) of subsection (a) shall not apply to the provision of intelligence that is provided only to, and for the use of, appropriately cleared United States Government personnel serving with the United Nations.

''(d) DELEGATION OF DUTIES.—The President may not delegate or assign the duties of the President under subsection (a).

''(e) RELATIONSHIP TO EXISTING LAW.—Nothing in this section shall be construed to—

''(1) impair or otherwise affect the authority of the Director of Central Intelligence to protect intelligence sources and methods from unauthorized disclosure pursuant to section 103(c)(5) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(5)); or

''(2) supersede or otherwise affect the provisions of title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.).''.

(b) CLINICAL AMENDMENT.—The table of contents for the National Security Act of 1947 is amended by inserting after the item relating to section 109 the following:

''Sec. 110. Restrictions on intelligence sharing with the United Nations.''.

H.R. 3259

OFFERED BY: MR. DICKS

AMENDMENT NO. 7: At the end of title V, add the following:

SEC 502. TIER III MINUS UNMANNED AERIAL VEHICLE.

In addition to the amounts authorized to be appropriated by title I, there is authorized to be appropriated an additional $22,000,000 for the tier III minus unmanned aerial vehicle.

H.R. 3259

OFFERED BY: MR. DICKS

AMENDMENT NO. 8: At the end of title V, add the following:

SEC. 502. TIER MINUS UNMANNED AERIAL VEHICLE.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to the amounts authorized to be appropriated by title I, there is authorized to be appropriated an additional $22,000,000 for the tier III minus unmanned aerial vehicle.

(b) PROCUREMENT.—The Secretary of Defense shall procure sufficient vehicles to conduct the approved advanced concept technology demonstration of the tier III minus unmanned aerial vehicle.

H.R. 3259

OFFERED BY: MR. DICKS

AMENDMENT NO. 9: At the end of title V, add the following:

SEC. 502. TIER III MINUS UNMANNED AERIAL VEHICLE.

In addition to the amounts authorized to be appropriated by title I, there is authorized

to be appropriated an additional $25,500,000 for the tier III minus unmanned aerial vehicle.

H.R. 3259

OFFERED BY: MR. DICKS

AMENDMENT NO. 10: At the end of title V, add the following:

SEC. 502. TIER III MINUS UNMANNED AERIAL VEHICLE.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to the amounts authorized to be appropriated by title I, there is authorized to be appropriated an additional $25,500,000 for the tier III minus unmanned aerial vehicle.

(b) PROCUREMENT.—The Secretary of Defense shall procure sufficient vehicles to conduct the approved advanced concept technology demonstration of the tier III minus unmanned aerial vehicle.

H.R. 3259

OFFERED BY: MR. RICHARDSON

AMENDMENT NO. 11: At the end of title III, insert the following new section:

SEC. 306. PROHIBITION ON USING JOURNALISTS AS AGENTS OR ASSETS.

An element of the Intelligence Community may not use as an agent or asset for the purposes of collecting intelligence any individual who—

(1) is authorized by contract or by the issuance of press credentials to represent himself or herself, either in the United States or abroad, as a correspondent of a United States news media organization; or

(2) is officially recognized by a foreign government as a representative of a United States media organization.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

Vol. 142 WASHINGTON, MONDAY, MAY 20, 1996 No. 71

Senate

The Senate met at 10:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Sovereign Lord, You have given us minds to think magnificently about You. We contemplate Your majesty, power, goodness, truth, faithfulness, and grace. Everything within us responds to praise You for the wonderful way You care for us and provide for our needs.

We commit our thinking brains to You. We accept the admonition of Scripture: ''Do not be conformed to this world, but be transformed by the renewing of your minds that you may prove what is that good and acceptable and perfect will of God.''—Romans 12:2. Consciously we seek to serve You by allowing You to deepen our understanding. Help us to base our thinking on Your truth, values, and priorities. May we come to know You so well that Your will is made clear for each decision. Be on our minds, in our minds, and in control of our minds.

In the name of Jesus who taught us to love You with our minds. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator LOTT of Mississippi, is recognized.

SCHEDULE

Mr. LOTT. Thank you, Mr. President. The Senate will immediately begin consideration of Senate Concurrent Resolution 57, the concurrent budget resolution. Under the agreement of last week, there are a limited number of first-degree amendments in order to the resolution. Senators are urged to offer and debate those today. Senators are reminded there will be no rollcall votes today. Any votes ordered on amendments will occur on Tuesday, and Senators can expect numerous votes Tuesday in order to complete action on the budget resolution.

I know that the managers of the bill will be here shortly. I might point out that there has already been an order of amendments agreed to. Shortly, we will begin with the first of those amendments, I believe by the Senator from Missouri, Senator ASHCROFT, regarding the payroll tax cut, to be followed by an amendment by Senator HARKIN, and so on down the line.

I note that the last thing scheduled today, to begin on or before, I guess, 7 p.m., is the Chafee-Breaux so-called bipartisan amendment. I believe there will be considerable amount of time devoted to that particular amendment—3 hours being reserved for tonight.

So I wanted to make Senators aware that there is a list of amendments. An order has been agreed to, and we will be prepared to begin with those shortly. I know the majority leader, Senator DOLE, is very anxious for us to work very hard in debating these amendments so that we can complete action as soon as possible this week.

We do have other very important legislation pending that we are anxious to have considered. Senator DOLE's bill dealing with the national missile defense, Defend America Act, we are trying to work out an agreement on how that will be brought up and considered.

I know the distinguished President pro tempore, the chairman of the Armed Services Committee, is anxious for the defense authorization bill to be considered, hopefully this week, so that we can have a conference between the House and Senate this year early in June, rather than later on in the summer, which would cause problems in trying to get the authorization done at the same time trying to get the appropriations bill done.

So we have a lot of work to do in a limited amount of time before we go out for the Memorial Day recess period.

Mr. President, I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

Mr. LOTT. Mr. President, I believe we need to report the resolution so that further action can be taken.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDING OFFICER. The Senate will now resume consideration of Senate Concurrent Resolution 57, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 57) setting forth the congressional budget for the U.S. Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

The Senate resumed consideration of the concurrent resolution.

Pending:

Boxer amendment No. 3982, to preserve, protect, and strengthen the Medicaid program by controlling costs, providing State flexibility, and restoring critical standards and protections, including coverage for all populations covered under current law, to restore $18 billion in excessive cuts, offset by corporate and business tax reforms, and to express the sense of the Senate regarding certain Medicaid reforms.

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

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Wyden/Kerry amendment No. 3984, to express the sense of the Senate regarding revenue assumptions.

Wellstone amendment No. 3985, to express the sense of the Senate on tax deductibility of higher education tuition and student loan interest costs.

Wellstone/Kerry amendment No. 3986, to express the sense of the Senate that funds will be available to hire new police officers under the Community Oriented Policing Service.

Wellstone amendment No. 3987, to express the sense of the Senate that Congress will not enact or adopt any legislation that would increase the number of children who are hungry or homeless.

Wellstone amendment No. 3988, to express the sense of the Senate with respect to maintaining current expenditure levels for the Low Income Home Energy Assistance Program for fiscal year 1997.

Wellstone amendment No. 3989, to express the sense of the Senate with respect to the interrelationship between domestic violence and welfare.

Kerry amendment No. 3990, to restore proposed cuts in the environment and natural resources programs, to be offset by the extension of expired tax provisions or corporate and business tax reforms.

Kerry amendment No. 3991, to increase the Function 500 totals to maintain levels of education and training funding that will keep pace with rising school enrollments and the demand for a better-trained workforce, to be offset by the extension of expired tax provisions or corporate and business tax reforms.

Kyl amendment No. 3995, to express the sense of the Senate regarding a supermajority requirement for raising taxes.

Kyl amendment No. 3996, to providing funding for the Low Income Home Energy Assistance Program through fiscal year 2000.

Kennedy amendment No. 3997, to express the sense of the Congress that the reconciliation bill should maintain the existing prohibition against additional charges by providers under the medicare program.

Kennedy amendment No. 3998, to express the sense of the Congress that the reconciliation bill should not include any changes in Federal nursing home quality standards or the Federal enforcement of such standards.

Kennedy amendment No. 3999, to express the sense of the Congress that provisions of current medicaid law protecting families of nursing home residents from experiencing financial ruin as the price of needed care for their loved ones should be retained.

Kennedy amendment No. 4000, to express the sense of the Senate relating to the protection of the wages of construction workers.

Byrd amendment No. 4001, to increase overall discretionary spending to the levels proposed by the President, offset by the extension of expired tax provisions or corporate and business tax reforms.

Lott/Smith amendment No. 4002, to express the sense of the Congress regarding reimbursement of the United States for the costs associated with Operations Southern Watch and Provide Comfort out of revenues generated by any sale of petroleum originating from Iraq.

Simpson/Moynihan amendment No. 4003, to express the sense of the Senate that all Federal spending and revenues which are indexed for inflation should be calibrated by the most accurate inflation indices which are available to the Federal Government.

Graham amendment No. 4007, to create a 60 vote point of order against legislation diverting savings achieved through medicare waste, fraud and abuse enforcement activities for purposes other than improving the solvency of the Medicare Federal Hospital Insurance Trust Fund.

Mr. LOTT. Mr. President, I ask unanimous consent that when we go back into the quorum, the time be equally divided against the time on the resolution.

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

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the pending amendment be set aside so that I might submit another amendment.

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

AMENDMENT NO. 4008

(Purpose: To provide for an income tax deduction for the old age, surviors, and disability insurance taxes paid by employees and self-employed individuals)

Mr. ASHCROFT. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri (Mr. ASHCROFT) proposes an amendment numbered 4008.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. ASHCROFT. Mr. President, thank you very much.

Mr. President, the centrality of resource to government, the power to tax, the impact and effect of taxation upon our economy is something which is well known and understood across our culture. The development of a budget for this country is perhaps one of our most important responsibilities. It has to do with the fundamental ways in which we view ourselves. It helps us focus on who we are and what we can be when we have the right balance between spending and the rest of the economy—the private sector of the economy; when we have the right balance between taxes that are spent by government and resources that are spent by individuals in the culture.

When I think about America, I think about it as a place of hope, a place of opportunity, a place that can solve problems that might not have been susceptible to solution anywhere else. I think about the words on the base of the Statue of Liberty, Emma Lazarus' poem, which is so aggressive. It is so hopeful. It says:

Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shores,
Send these, the homeless, tempest-tossed to me:
I lift my lamp beside the golden door.

America so brash, America so capable, America so resilient, so oriented to growth and opportunity that it says to the rest of the world, ''Send me your most troublesome problems. Send me the most difficult of your cases, we lift a lamp of opportunity here. Give me your tired, your poor. We will take care of it here because we are growing, we are on the move.'' What troubles me perhaps more than anything else is that of late instead of saying, ''Give me your tired, your poor,'' we seem to be reciting that we are the tired, we are the poor.

It has been said that America is the ''city on the hill,'' a special example to the rest of world, a place to look to, a city of hope and opportunity. Well, perhaps it might be said that if we are a city, we are in need of renewal. We sure would not want the kind of urban renewal that has been inflicted on American cities, but the sense that we need to again restart the engine, regenerate the opportunities of this culture. Perhaps we ought to look carefully at what is it that has moved us from a culture that could say, ''Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shores, send these, the homeless, tempest-tossed to me.''

What it is that has moved us from saying that to being doubtful about the future, to be insecure, having this sense of social discomfort, of social disease, social insecurity, if you will, which we find in America today? I have to say to you that I think it has been the flatness in growth which we have normally expected in this culture but which we are not seeing in the American culture.

Economic growth has always driven the idea that America could be a special place of opportunity. It was that sense of endless opportunity in this country that drove us to say, ''Give me your tired, your poor.'' It was this understanding that we could always grow our way through circumstances and difficulties. Growth has been a marvelous key toward providing some new hope for individuals at all times in our history.

Yet, what has happened to growth? What has happened to our culture? We have seen a tremendous flatness in recent years. Take-home pay is stagnant at best. The average household income is 6.3 percent below its 1989 level—6.3 percent down; 6.3 percent is $1 out of every $18. So where you used to get $18 you now only have $17. That is just in the last 6 or 7 years.

Zero growth in worker income for the first 3 years of the Clinton administration. Working families are being taxed. They are being stressed.

We find they get up early; they work late; they sacrifice time with each other and with their children, and they have less and less for it. They are squeezed.

What is the reason? Why is it that we as a culture find ourselves laboring

under this weight rather than soaring toward the opportunity of a lifted lamp that can greet any challenge boldly and say, ''Give me your best shot?'' We cannot only roll with the punch; we can succeed.

I think it is simple. I think it is because the Government has begun to take so much of the wage of working Americans that Americans no longer have the resource to spend for themselves. Tax liberation day is a day that is calculated each year which says that since the Government has the first claim on your wages, how long do you have to work into the year in order to pay all the Government's claim?

Tax liberation day was just a little over a week ago. The truth of the matter is it is awfully substantial in our culture, the burden that taxes place on each of us. As a matter of fact, as a percentage of the gross domestic product, that is, the output of this economy, we have higher rates of taxation at this moment in history than we have ever had in the history of this Republic, higher than the rate of taxation that it took to throw the British out of this country, higher than it took to win the Civil War, higher rates of taxation than it took to make the world safe for democracy in World War I, higher rates of taxation than it took for us to spend our way out of the Depression of the 1930's, and more taxes in terms of gross domestic product than it took for us to win World War II. The American people are being taxed at the highest rate in history when measured by gross domestic product.

That is a shame. It is a substantial burden on the American people. And as their incomes are being eroded, repressed, held back, they are wondering what happened to their income. I think it is pretty easy for us to say what has happened to their income because the growth of Government spending has soared. We have gone to an income tax which was 2 to 3 percent of income in the 1950's to more than 10 times that much now. And we have levels of taxation which are just incredible. Of the family budget, in 1955, 27.7 percent was total taxes—in 1955. It is 38.2 percent in 1995. That is more than a third increase in what the American family is being asked to pay in taxes.

Just looking at the data from this decade, it is not a happy picture because in 1990 we had a substantial tax increase, and in 1993 the Clinton administration and the Democrats in the Congress imposed upon the American people without a single Republican vote the largest tax increase in the history of America. And so when the American worker looks around to say, what happened to my wage increase, it is pretty easy to say what has happened to your wage increase, what has happened to the growth in this economy, what has happened to the dynamic potential of hope that America represents and ought to be. It has been stolen by Government. What the people cannot spend is what Government has taken. And when Government takes well over 38 percent of your income, you cannot spend it, and if Government did not take it, you could spend it. Government is out of control. It is taxing at incredibly high rates and families are suffering.

Senator COVERDELL of Georgia is eloquent in describing how taxes have gone up regularly since the 1950's and 1960's. You can trace and correlate the number of families where people feel it is necessary for both parents to be out of the home working. Taxes have not only stolen the resource of money from our families but they have stolen the resource of parenting in many respects by forcing people who would otherwise want to stay in the home to be parents to leave the home in order to go into the marketplace to try and make enough. So that the workers are not getting increases.

The record of the recent past is the workers are not getting increases, but the record is that the Government is getting increases, and so we not only have the diversion of the important financial resource from family, we have had a diversion of other resources. And people are not able to make their own decisions about whether they want to go into the marketplace or to stay in the home or spend time with their family or devote themselves to the development of family concerns; you have a situation where they are simply compelled to be there.

This is a situation of Government that is out of control.

This chart here just gives us a little indication of where the money goes. House and household, in the average family, 15 percent pays for its home and its household. That is 2.5 times less, or this is 2.5 times more total taxes; food, 6 percent of the normal family's income; taxes, over 600 percent more than that; transportation, 6 percent; over 600 percent more than we spend on transportation; to put clothes on the backs of Americans costs 4 percent of family income; it costs almost 10 percent that much to pay taxes.

This is the largest total tax figure. This represents more of the gross domestic product than at any time in the history of this country, and it is no wonder that we find ourselves in a period of stagnation, of retrogression, of reduction rather than in development and growth, and it is time again to unleash the engine of opportunity, the driving force of growth in our culture and society.

Government has stolen the wage increases of American workers by regressing growth in the American culture. It is the reason, if we are the city on the Hill, we need renewal. It is the reason we no longer say give me your tired, your poor. We have people complaining that they are tired and they are poor, and it is time for us to grant to the American people the kind of relief which will make a difference to them. I think we need to find a way to relieve the American public of its tax burden, but we need to make sure that this goes to the people who need it most. We need to find a way to make sure that the American public, the working public, the middle class, the forgotten middle class in everything but campaign years, is remembered.

Let me just say that I think I have a way to get that done. I think I have an effective way to deliver tax relief to the middle class, and let me describe it to you. Almost all of us—well, all of us who do work—pay what is called payroll taxes. These are taxes that go to support Social Security. And I would not touch those taxes in any way. We need to pay those in order to make sure that the Social Security trust fund is maintained. But these Social Security taxes are a tax. We pay those to the Government. They go to make sure that our ability to pay individuals who are on Social Security their benefits is maintained. We do not want to impair in any way the ability of this culture to pay those citizens who are on Social Security what they deserve and what they have earned by paying their Social Security taxes in the past.

But it is a tax. And when you pay the 6 point something or other percent of your wages as a Social Security tax, it is a tax. There is no two ways about it. It is a tax. It is not an investment program for you. They do not take your money and invest it and put it away so that you will have something when you retire. It is simply a tax that is levied on you so they can meet the current demands of the Social Security system.

What is interesting about that tax is that you have to pay that tax after you have already had your income tax calculated. So that you have paid a tax on that money, and then you pay a tax again. This is a classic setting where we have asked the American people to be subject to a tax on a tax.

That is unfair. Double taxation for the American people in this setting is grossly unfair. It is something that we have rejected in virtually every other category of our existence, but we are asking American workers, working families, to pay a tax on a tax. As you know, the Social Security tax is only levied on the first $62,000 of your income, $63,000; $62,700 is the real number. So if you are paying a tax on that amount and it is also being taxed for income tax purposes, you have a double tax.

I think we ought to make that deductible. You still have to pay the Social Security tax, but you no longer have to pay the income tax on things that are never income to you, because this money never reaches an employee. The working families of America never see it. It is deducted. It is called the payroll deduction tax. It is a tax that goes straight from your employer right into the Federal Government. You do not even get a sniff at this resource, and yet you are taxed on this tax.

Strangely enough, interestingly enough, this is not a tax which hits American business in the same way,

because the business community has a right to deduct from its taxes the payments that it makes that match the workers' tax. So the business community, the giant corporate citizens of America—and we need them and they are good and appropriate—they get fair treatment by being able to deduct this as an expense. But the citizen, the worker, pays on the first $62,700 of our income, we pay Social Security taxes out of money that we have already paid taxes on. We have a tax on the tax, and it is time that we stopped that. It is time that we elevate the American worker at least to the tax standing and tax position of American corporations. It is time that we gave that tax break to the American worker.

It is important that this tax break, by providing for deductibility of the Social Security tax before the income tax is paid, go to the American worker. It is important to note that it is only on the first $62,000 of income. So, as a matter of fact, for the millionaires, they only get the break on $62,000 of their income, just like the average working family would only get the break on that first segment of income.

So for those who are fond of saying every time there is a tax break, that this is a tax break for the rich, well, you need not apply here, because this is limited automatically to providing the deduction for a tax you are paying to Social Security, and since nobody pays it above $62,700, it is not a deduction for the rich. It is a deduction in terms of proportional deductions of your wages that favors, dramatically favors, the middle class. What an important thing that is, because middle-class families are the families that desperately need help.

What would happen to the middle-class family? How would the middle-class family be affected? For middle-class families, the Social Security tax is the single largest tax that is paid. No other tax that we pay takes a bigger chunk out of the average family's income than Social Security taxes. So to give a deduction on that would be substantial. It would really mean they would have about a 1-percent decrease in their income tax rate for these families, the average two-income family. That means that you would pay about $1,770 less in taxes for the year than you would if we did not have this deduction.

What happens to the economy of the United States of America if you let working people who have earned the money just pay tax once by sending it to the Social Security trust fund but not being taxed on that money twice, therefore, having the extra $1,770 in income? What will happen in the United States? Growth, that is what will happen. It is universal. No one projects anything but substantial growth. The middle number is about 500,000 new jobs, about 10,000 jobs per State.

I had the privilege of being Governor of my State for about 8 years before I became a U.S. Senator, and it is a great privilege. If someone came to your State saying they had 10,000 jobs for you, I mean, stopping the Governor from doing cartwheels would be a major endeavor. We care about growth; we care about opportunity.

That is the equivalent of two large car assembly plants. States have fallen all over themselves. I remember the competition for the Saturn plant, eventually won by Tennessee, I sadly say. Good for Tennessee, bad for Missouri. We would like to have had it. But several of those in every State in the United States of America? It is estimated that the gross domestic product would raise by one-half of 1 percent as a result of letting the people spend the money instead of having the Government spend the money.

I think we need to remind ourselves on a regular and consistent basis that when we tax people, it is a question of not whether money will be spent, it is whether we are going to spend the money in the Government and whether we can decide best for people how to serve their needs or whether they can decide best by having the money at their own disposal and by having the money for themselves to spend.

I believe that the families in America know best, and the economists indicate that, if we will stop spending this money and just let it be spent in the private sector by the families, it will mean about 500,000—500,000—new jobs in America, about 10,000 jobs per State. The gross domestic product will go up by .5 percent. That would mean that 77 million—77 million—working Americans would have more resources to devote to themselves, to their families, do more for themselves, do more for their families, and do more of the good things that American families want to do.

So often we say that Government is required because families will not do what they ought to do, but I believe we have come to a place where Government has made it impossible for families to do what they ought and want to do. They want to share, they want to be involved in their communities, they want to be involved in their churches and synagogues and mosques and temples. They want to be involved in reaching out to other people. But when Government takes such a big share, when you have to work 3 hours every day to get the Government's share out of the way and you struggle through the rest of the day to meet your own needs, it does not leave much opportunity for sharing.

So we have a situation where we really need to provide relief to America's working families. They are struggling. We talk about the problems of the family. It is time for us to do something about the problems of our families.

We talk about Government as if it all was involved in something that was fundamental, essential, and necessary—and frequently is—but families are fundamental, essential, and necessary. One hundred years ago, William Jennings Bryan said, if you tore down your cities and left your farms, the cities would grow back up. But if you destroyed the agriculture and the producing capacity of this country, grass would grow in the streets of the cities.

I think if you tore down government, it could spring back up if you left the families in place, but if you were to tear down the families of America, I can guarantee you that grass would grow over this Capitol, and it may if we do not provide relief in some way to the families of this country that are hard pressed by this weight. It is not inconsequential that the governmental share is in red here, because much of this is the resource of the next generation as well. We are not only on a binge of taxation, we are on a binge of spending, and that binge of spending threatens the well-being of young Americans and those who are yet to be born.

This is a program and proposal that basically comes down to the question of, do you want more taxes or less taxes? Do you want to grow Government, or do you want to grow people? What is the purpose of Government? The purpose of Government is related to growth, but it is not related to the growth of Government; it is related to the growth of people. It is our responsibility to maintain an environment in which people grow, in which their enterprises grow, in which citizens grow and in which their corporations grow.

It is a place where individuals grow and institutions grow, but if we make it so that government is the only thing that can grow because it sucks up so much of the resource of this culture, we will have destroyed the genius of America, we will have destroyed the opportunity of it, we will have destroyed the character of it. It is time for us to get out of the destruction business and to get into the restoration business.

That is why the Working Americans Wage Restoration Act is what we ought to be focused on. This is a way, without impairing Social Security in any respect, to place into the hands of the American people the capacity to do for themselves and for their families and for others what they ought and want to do and to do so by balancing a taking by government of an inordinate amount of their resources.

Remember, it is time to curtail this tax on tax. The American family has been treated unfairly. It has been taxed where corporations have been given a deduction. We are taxed at the highest levels in history. Not even to prosecute the most disastrous of all wars have we taxed our people as much as we have. It is time for us to provide the relief to the American family which will allow the American family to flourish, and allows us to again have the kind of bold, brash, and aggressive behavior of hope that said: Give us your best shot. Give us your tired, your poor.

We can make something of anything in the United States because we are

growing. It is time for us to be the city on the hill again and not the city in need of urban renewal, but a city of hope and opportunity.

It is time for us to give the American worker a chance to do what needs to be done and to provide a basis upon which the American worker and the American economy can again grow.

AMENDMENT NO. 4008, AS MODIFIED

Mr. ASHCROFT. Mr. President, I ask unanimous consent to send a modification of my amendment to the desk.

The PRESIDING OFFICER. The Senator is free to amend his amendment. Without objection, it is so ordered.

Mr. ASHCROFT. I thank the Chair.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 4008), as modified, is as follows:

On page 3, line 5, decrease the amount by $29,900,000,000.

On page 3, line 6, decrease the amount by $44,400,000,000.

On page 3, line 7, decrease the amount by $476,700,000,000.

On page 3, line 8, decrease the amount by $49,100,000,000.

On page 3, line 9, decrease the amount by $51,700,000,000.

On page 3, line 10, decrease the amount by $54,300,000,000.

On page 3, line 14, decrease the amount by $29,900,000,000.

On page 3, line 15, decrease the amount by $44,400,000,000.

On page 3, line 16, decrease the amount by $46,700,000,000.

On page 3, line 17, decrease the amount by $49,100,000,000.

On page 3, line 18, decrease the amount by $51,700,000,000.

On page 3, line 19, decrease the amount by $54,300,000,000.

On page 4, line 8, increase the amount by $34,577,000,000.

On page 4, line 9, decrease the amount by $47,622,000,000.

On page 4, line 10, decrease the amount by $48,997,000,000.

On page 4, line 11, decrease the amount by $51,903,000,000.

On page 4, line 12, increase the amount by $53,474,000,000.

On page 4, line 13, decrease the amount by $55,439,000,000.

On page 4, line 17, decrease the amount by $29,900,000,000.

On page 4, line 18, decrease the amount by $44,400,000,000.

On page 4, line 19, decrease the amount by $46,700,000,000.

On page 4, line 20, decrease the amount by $49,100,000,000.

On page 4, line 21, decrease the amount by $51,700,000,000.

On page 4, line 22, decrease the amount by $54,300,000,000.

On page 9, line 21, decrease the amount by $1,209,000,000.

On page 9, line 22, decrease the amount by $1,156,000,000.

On page 10, line 5, decrease the amount by $2,298,000,000.

On page 10, line 6, decrease the amount by $1,412,000,000.

On page 10, line 13, decrease the amount by $2,684,000,000.

On page 10, line 14, decrease the amount by $1,865,000,000.

On page 10, line 21, decrease the amount by $2,821,000,000.

On page 10, line 22, decrease the amount by $2,278,000,000.

On page 11, line 5, decrease the amount by $2,927,000,000.

On page 11, line 6, decrease the amount by $2,560,000,000.

On page 11, line 13, decrease the amount by $2,964,000,000.

On page 11, line 14, decrease the amount by $2,735,000,000.

On page 11, line 22, decrease the amount by $2,449,000,000.

On page 11, line 23, decrease the amount by $1,520,000,000.

On page 12, line 5, decrease the amount by $2,525,000,000.

On page 12, line 6, decrease the amount by $2,346,000,000.

On page 12, line 12, decrease the amount by $2,686,000,000.

On page 12, line 13, decrease the amount by $2,693,000.000.

On page 12, line 19, decrease the amount by $2,909,000,000.

On page 12, line 20, decrease the amount by $2,882,000,000.

On page 13, line 2, decrease the amount by $3,209,000,000.

On page 13, line 3, decrease the amount by $3,131,000,000.

On page 13, line 9, decrease the amount by $3,619,000,000.

On page 13, line 10, decrease the amount by $3,474,000,000.

On page 13, line 17, decrease the amount by $875,000,000.

On page 13, line 18, decrease the amount by $131,000,000.

On page 13, line 25, decrease the amount by $783,000,000.

On page 14, line 1, decrease the amount by $446,000,000.

On page 14, line 8, decrease the amount by $933,000,000.

On page 14, line 9, decrease the amount by $740,000,000.

On page 14, line 15, decrease the amount by $1,083,000,000.

On page 14, line 17, decrease the amount by $931,000,000.

On page 14, line 24, decrease the amount by $1,183,000,000.

On page 14, line 25, decrease the amount by $1,086,000,000.

On page 15, line 7, decrease the amount by $1,283,000,000.

On page 15, line 8, decrease the amount by $1,225,000,000.

On page 15, line 16, decrease the amount by $359,000,000.

On page 15, line 17, decrease the amount by $241,000,000.

On page 15, line 24, decrease the amount by $440,000,000.

On page 15, line 25, decrease the amount by $349,000,000.

On page 16, line 7, decrease the amount by $506,000,000.

On page 16, line 8, decrease the amount by $462,000,000.

On page 16, line 15, decrease the amount by $574,000,000.

On page 16, line 16, decrease the amount by $545,000,000.

On page 16, line 23, decrease the amount by $574,000,000.

On page 16, line 24, decrease the amount by $582,000,000.

On page 17, line 7, decrease the amount by $574,000,000.

On page 17, line 8, decrease the amount by $588,000,000.

On page 19, line 16, decrease the amount by $1,264,000,000.

On page 19, line 17, decrease the amount by $639,000,000.

On page 19, line 24, decrease the amount by $1,341,000,000.

On page 19, line 25, decrease the amount by $882,000,000.

On page 20, line 7, decrease the amount by $1,339,000,000.

On page 20, line 8, decrease the amount by $1,197,000,000.

On page 20, line 15, decrease the amount by $1,339,000,000.

On page 20, line 16, decrease the amount by $1,382,000,000.

On page 20, line 23, decrease the amount by $1,687,000,000.

On page 20, line 24, decrease the amount by $1,409,000,000.

On page 21, line 7, decrease the amount by $1,687,000,000.

On page 21, line 8, decrease the amount by $1,484,000,000.

On page 21, line 16, decrease the amount by $104,000,000.

On page 21, line 17, decrease the amount by $58,000,000.

On page 21, line 24, decrease the amount by $110,000,000.

On page 21, line 25, decrease the amount by $215,000,000.

On page 22, line 7, decrease the amount by $110,000,000.

On page 22, line 8, decrease the amount by $276,000,000.

On page 22, line 15, decrease the amount by $110,000,000.

On page 22, line 16, decrease the amount by $297,000,000.

On page 22, line 23, decrease the amount by $110,000,000.

On page 22, line 24, decrease the amount by $306,000,000.

On page 23, line 6, decrease the amount by $110,000,000.

On page 23, line 7, decrease the amount by $312,000,000.

On page 25, line 17, decrease the amount by $5,938,000,000.

On page 25, line 18, decrease the amount by $4,436,000,000.

On page 25, line 25, decrease the amount by $6,127,000,000.

On page 26, line 1, decrease the amount by $5,670,000,000.

On page 26, line 8, decrease the amount by $6,188,000,000.

On page 26, line 9, decrease the amount by $6,015,000,000.

On page 26, line 16, decrease the amount by $6,199,000,000.

On page 26, line 17, decrease the amount by $6,122,000,000.

On page 26, line 24, decrease the amount by $6,208,000,000.

On page 26, line 25, decrease the amount by $6,190,000,000.

On page 27, line 7, decrease the amount by $6,211,000,000.

On page 27, line 8, decrease the amount by $6,204,000,000.

On page 31, line 3, decrease the amount by $7,705,000,000.

On page 31, line 4, decrease the amount by $7,705,000,000.

On page 31, line 10, decrease the amount by $9,502,000,000.

On page 31, line 11, decrease the amount by $9,502,000,000.

On page 31, line 17, decrease the amount by $11,391,000,000.

On page 31, line 18, decrease the amount by $11,391,000,000.

On page 31, line 24, decrease the amount by $13,427,000,000.

On page 31, line 25, decrease the amount by $13,427,000,000.

On page 32, line 6, decrease the amount by $16,161,500,000.

On page 32, line 7, decrease the amount by $16,161,500,000.

On page 32, line 13, decrease the amount by $16,161,500,000.

On page 52, line 14, decrease the amount by $16,161,500,000.

On page 38, line 7, decrease the amount by $545,000,000.

On page 38, line 8, decrease the amount by $16,000,000.

On page 38, line 14, decrease the amount by $545,000,000.

On page 38, line 15, decrease the amount by $71,000,000.

On page 38, line 21, decrease the amount by $545,000,000.

On page 38, line 22, decrease the amount by $186,000,000.

On page 39, line 3, decrease the amount by $545,000,000.

On page 39, line 4, decrease the amount by $354,000,000.

On page 39, line 10, decrease the amount by $545,000,000.

On page 39, line 17, decrease the amount by $491,000,000.

On page 39, line 18, decrease the amount by $512,000,000.

On page 42, line 2, decrease the amount by $13,998,000,000.

On page 42, line 3, decrease the amount by $13,998,000,000.

On page 42, line 8, decrease the amount by $23,505,000,000.

On page 42, line 9, decrease the amount by $23,505,000,000.

On page 42, line 15, decrease the amount by $21,875,000,000.

On page 42, line 16, decrease the amount by $21,875,000,000.

On page 42, line 22, decrease the amount by $20,882,000,000.

On page 42, line 23, decrease the amount by $20,882,000,000.

On page 43, line 5, decrease the amount by $19,783,500,000.

On page 43, line 6, decrease the amount by $19,783,500,000.

On page 43, line 12, decrease the amount by $21,604,500,000.

On page 43, line 13, decrease the amount by $21,604,500,000.

On page 51, line 13, increase the amount by $54,300,000,000.

On page 51, line 14, increase the amount by $276,100,000,000.

On page 51, line 15, increase the amount by $7,924,000,000.

On page 51, line 16, increase the amount by $75,738,000,000.

On page 52, line 14, decrease the amount by $26,872,000,000.

On page 52, line 15, decrease the amount by $22,195,000,000.

On page 52, line 21, decrease the amount by $38,120,000,000.

On page 52, line 22, decrease the amount by $34,898,000,000.

On page 52, line 24, decrease the amount by $37,606,000,000.

On page 52, line 25, decrease the amount by $35,309,000,000.

On page 53, line 2, decrease the amount by $38,476,000,000.

On page 53, line 3, decrease the amount by $35,673,000,000.

On page 53, line 5, decrease the amount by $37,277,500,000.

On page 53, line 6, decrease the amount by $35,538,500,000.

On page 53, line 8, decrease the amount by $39,277,500,000.

On page 53, line 9, decrease the amount by $38,138,500,000.

Mr. ASHCROFT. Reserving the balance of my time, I yield the floor.

The PRESIDING OFFICER. Does the Senator note the absence of a quorum?

Mr. ASHCROFT. The Senator from Missouri notes the absence of a quorum and asks unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. THOMAS. Mr. President, I also ask unanimous consent that the current amendment be set aside.

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

AMENDMENT NO. 3974

(Purpose: To express the sense of the Senate supporting biennial budgeting)

Mr. THOMAS. Mr. President, I ask unanimous consent that I can bring up an amendment that I have filed on the biennial budget.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Wyoming [Mr. THOMAS] proposes amendment numbered 3974.

Mr. THOMAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of title III, insert the following new section:

SEC. . SENSE OF THE SENATE SUPPORTING BIENNIAL BUDGETING.

(a) FINDINGS.—The Senate finds that the current budget process—

(1) results in constant and redundant congressional action on spending measures and budget issues;

(2) causes instability in financial markets and creates budgetary uncertainty for recipients of Federal funds, thereby inhibiting the efficient operation of these programs; and

(3) allows insufficient time for Congress to consider national needs as a basis for sound and efficient policy approaches, thereby fostering piecemeal solutions that contribute to unrestrained growth of the Federal Government.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) a biennial budget process would—

(A) create an orderly, predictable process for consideration of spending decisions responsive to policy priorities and improve congressional control over the Federal budget and therefore promote better accountability to the public;

(B) provide greater stability and certainty for financial markets, Federal, State, and local government agencies which need sufficient time to plan for the implementation of programs; and

(C) allow sufficient time for the fulfillment by the Congress of its legislative and oversight responsibilities, including the consideration of authorizing legislation, budget resolutions, appropriations bills, and other spending measures; and

(2) the Congress should enact legislation in the 104th Congress to establish a biennial budget process.

Mr. THOMAS. Mr. President, I offer to the Senate a sense-of-the-Senate resolution which states that we would have biennial budgeting.

I make this recommendation for several reasons. The primary factor is my personal experience with biennial budgeting. I come from the Wyoming legislature where we employ a 2-year budget cycle. It works very well. It seems to me that we ought to bring that Western wisdom inside the beltway. I know it has been considered before, but obviously Congress has not enacted the concept.

I want to take just a moment to recognize the chairman of the Budget Committee, Senator DOMENICI, who has been a real leader on this issue for a number of years. In fact, he and Majority Leader BOB DOLE joined me when I recently introduced a bill, S. 1434, that would create a biennial budget process.

Obviously, there are some great benefits from biennial budgeting. One of them is being demonstrated here today. This Congress we have spent most of our time working on the budget. I am not sure what the numbers are, but if you looked at last year, I suspect that we will have spent fully two-thirds of the year in this place talking about the budget.

The alternative to that, it seems to me, is the opportunity of having a biennial budget in which basically we could talk about a budget, debate a budget, discuss a budget, enact a budget in 1 year, put that budget into place for a period of 2 years, and have the following year to do one of the other major responsibilities of the Senate, and that is oversight.

I strongly believe that we do not spend enough time on oversight in Congress. That is one of our basic responsibilities. This failure has led to the continuous growth of the Federal Government.

So there are a number of reasons why biennial budgeting would be important. One is that it would promote timely action on budget legislation. We would not drag the process out as much as we do now. Another benefit is that it would provide an opportunity for Federal agencies to plan a little further ahead. Although it is not long term—2 years—it would create more stability in executive branch programs.

A 2-year budget cycle would also eliminate some of the redundancies of the current process. I am not on the Appropriations Committee here. I was, however, in my legislature, and I know how much time and effort goes into it and how important it is. Quite frankly, it is not any more difficult to do it for 2 years than it is for 1.

I suspect that there is not generally a great deal of support by appropriators for this concept. Obviously, one of the reasons is that appropriators have a great deal of authority around here, primarily because they consider the budget every year. Naturally, they don't want to relinquish that power. Appropriators who want something out of the budget for their State are beholden to the current budget process. I do not say that unkindly, that is just the way it is. Consequently, I do not

expect the appropriators to support this reform.

One of the other benefits, of course, is you reduce the frequency of Presidential/congressional conflicts, though those instances will always occur. There is a responsibility on the part of the Congress, of course, for the House to initiate and the Congress to put forth a budget. Under the Constitution, the President has an opportunity to approve or disapprove it. I think this is one of the areas where there is a certain amount of frustration; where we find ourselves sometimes changing and fixing everything to meet the President's requirements. The fact is, the President has some requirements, too, to accommodate himself to the Congress. It is not a one-way street down Pennsylvania Avenue. So biennial budgeting would reduce these conflicts. It would, as I mentioned before, encourage long-term planning, particularly in the executive branch and in State governments.

Mr. President, I am not going to take a great deal of time to discuss this issue. I know this is not the time to go into great length to debate it. This is the time, however, to give it some consideration, when we are in the middle of the budget process. We will be moving into the appropriations cycle, when this budget is over, which will likely take until October to complete. In addition, we recently finished last year's appropriations process. So biennial budgeting provides a great opportunity, I believe, to streamline the process.

But making the process more efficient is not even the most important benefit of biennial budgeting. In a 2-year budget cycle, more time can be spent on oversight, and less time can be spent on budgeting conflicts with the executive branch. Mr. President, all in all, I think it makes a great deal of sense.

Biennial budgeting will not cure all of the Federal Government's ills, of course, but it is, I believe, a solid step toward restoring some fiscal and oversight accountability in our Nation's Capital. As I mentioned, now is not the time to debate it. However, I intend to pursue the issue in the future. Though I plan to withdraw the amendment, I am putting my colleagues on notice that this issue must be addressed. I urge my colleagues to join me in that effort.

I ask unanimous consent that the amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be withdrawn.

The amendment (No. 3974) was withdrawn.

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

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I thank my friend from Wyoming for initiating the discussion—this has been talked about a great deal today—and for now withdrawing the amendment. That does not mean we are not going to be revisiting things like this in the future, but in the interests of moving the budget process along it is best to delay the discussion.

We have today and we have tomorrow night, which is the time the majority has indicated they would like to complete work on the budget. We are already way late on the budget. It was supposed to be acted upon earlier. So I hope we could move ahead in a brisker fashion than we have before. I would simply say to my colleagues on both sides of the aisle, we are awaiting more amendments. If there were either a Democrat or Republican Senator seeking to offer an amendment right now, this Senator would yield. But I send out the call once again, we are going to have a crammed, packed day today without any votes. The votes will be stacked for tomorrow. But Tuesday is going to be one of those most, most difficult times.

It appears to me, unless we can move in much quicker fashion than we have thus far, we are going to find ourselves tomorrow night into one of those situations where the Senate looks awfully bad. That is when we run out of the allotted time that has been yielded on the budget amendment, that is 25 hours on each side, and then we get ourselves into a situation where Members of the Senate insist upon offering additional amendments—and they have that right—but even though we just put up the amendment, there is no debate whatsoever. And then we immediately go to a rollcall vote.

It always seems to me if historians would ever look at the U.S. Senate and address some of our worst, our unproductive moments, it would be that time that typically happens with the budget resolution, that is voting without debate, voting oftentimes without a majority of the Senate even having the slightest idea of what the amendment is designed to do.

So this is the time to offer amendments. I hope on this Monday morning, before reckoning day Tuesday, we would get these amendments introduced. At the present time we already have 20 votes scheduled for tomorrow. Even if those were 10-minute votes, which all of them cannot be, we can see the difficult timeframe we are in.

Also tomorrow, Tuesday, is going to be shortened by what I was advised recently, by the fact we will, most of us, will be going to a memorial ceremony at I believe 11 o'clock tomorrow morning at the National Cathedral as a result of the death of the late, great Admiral Boorda. So, that is going to take time out of our day tomorrow. I simply appeal to Senators on both sides of the aisle to come down now, offer your amendments, curtail as much debate time as we can so we can move ahead.

AMENDMENT NO. 4008

There was an amendment introduced this morning by the Senator from Missouri that I would like to make some comments on in opposition. The pending business I make reference to is the amendment offered by Senator ASHCROFT, amendment No. 4008.

It sounds to me like deja vu all over again. While viewers of the Senate may have received the impression—let me repeat that—viewers of the Senate may have received the impression that we are trying to reduce the deficit here, it seems that the Senator from Missouri has another thing in mind altogether. He wants to revisit the voodoo economics of the early 1980's that got us into the fiscal mess that the United States finds itself in today. His amendment would cut taxes first, before we have done the hard work of cutting the deficit.

This Senator is for cutting the deficit above everything else. This Senator, and many similarly situated, would like very much to reduce taxes. That is the ultimate goal of a politician these days. It is not a bad goal. But the thing we have to remember is that we cannot do everything at the same time if everyone is going in different directions. And I am afraid that is what is demonstrated above everything else, unfortunately, by the amendment offered by the Senator from Missouri. He has very specific ideas about where to cut taxes and I suppose that everyone favors tax cuts. But he is far less specific about how to come up with the money to pay for it.

In what I heard of the Senator's speech, he did not say one word about where the money is coming from. So the arithmetic is simple. Cut taxes by $276 billion over the next 6 years—that is wonderful. That is what everybody is for. Who can be against that—unless you are sincere about cutting the deficit of the United States of America. I thought that was the No. 1 item of concern for Members on both sides of the aisle. Cutting taxes by $276 billion over the next 6 years, as suggested by the Senator from Missouri, sounds real good and it is a whopping tax cut. But the problem is, they look around to find the discretionary savings to pay for this at some later date. That is the kind of murky fiscal thinking that has got us into the situation we are trying to address today and have been trying to address for some months.

Mr. President, I need to correct a few things that the Senator from Missouri said in his diatribe against government. That is another very popular thing to do. Cutting government and carrying on diatribes against how bad government is is really good politics, but is it good sense?

The Senator from Missouri said many, many things against government. The Senator would have us believe that the 1993 budget bill is the cause of the tax burden on the middle-class citizens of America. Nothing—nothing, Mr. President—could be further from the truth, in reality. In reality, 98 percent of income taxpayers do not pay 1 more penny in taxes because of the 1993 tax bill. I wish we had

the time to go back to listen to the attacks from that side of the aisle on the 1993 tax bill. It would be astonishing for people to read about the reasons that the people on that side of the aisle voted against the 1993 tax bill. The 1993 tax bill is the main reason for the fact that we have had 3 successive years of reductions in deficit of the Federal Government of the United States of America—something that has not happened since Hector was a pup. The fact of the matter is that, primarily as a result of that bill, we have reduced the annual deficit from the range of $300 billion down to an estimated $140 billion to $147 billion this year. The deficit has been cut by more than half. Millions of working families had their taxes cut because of the changes in the earned-income tax credit in the 1993 bill.

Mr. President, there are seldom things that we do around here that are perfect. But it seems to me that at a time when we are trying desperately to put things together on both sides of the aisle to balance the budget by the year 2002 and return sanity to the financing of the Federal Government, the amendment offered by the Senator from Missouri is the worst possible step that we could take.

Senator ASHCROFT's amendment is a budget buster, by any definition. Senator ASHCROFT has stated that the cost of the proposal would be $276 billion over the next 6 years, over $45 billion annually. Democrats recognize that Social Security taxes present a burden to lower income taxpayers and have, as a result, strongly supported the earned income tax credit. The earned income tax credit was designed, in part, to offset these costs.

Just so that we understand, the earned income tax credit is something that gives the very lowest income people of the United States of America a credit to try to get them up above the poverty line, get them out of welfare so that we will not have that welfare drain that is continuing to cause us problems.

The Republican budget cuts eliminates that earned income tax credit for the poorest among us by $17 billion over the next 6 years. Last year's Republican budget would have actually increased taxes. It would have increased taxes on those lowest paid people in the United States, which amounts to about 7 million working families. This year's budget must include many of the same proposals.

President Clinton, in his 1993 budget, lowered taxes on working families by increasing the earned income tax credit. That is designed to get people off welfare, get them to work, and have them contribute to society, as we would all like to have them do if they had an income above the poverty level. But I repeat, President Clinton's 1993 budget lowered taxes on these working families by increasing the earned income tax credit.

In 1996, over 15 million families will receive a tax break as a result of that bill. In my State of Nebraska alone, over 78,000 families will receive a tax cut averaging about $650 for the year. I want to emphasize once again that those are the lowest paid people in the United States that we are trying to send a lifeline to lift them up by their bootstraps, if you will, Mr. President, to give them a chance to be what most of them would like to be—successful taxpaying citizens.

So when we are talking about cutting Social Security taxes, I simply say that I would like to do that, too. I also say that the Democratic Party, under the leadership of President Clinton, has done just that in another form—the earned income tax credit. I am sure that amendment offered by the Senator from Missouri is good politics. But it is not good government.

I yield the remainder of our time, and I yield the floor.

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

Mr. EXON. Mr. President, I yield myself what additional time off the bill that I may need. I want to drive home again how dire our circumstances are with the constraints of time. As I had announced earlier, we have 20 rollcall votes scheduled and more than 5 hours of voting time on Tuesday. If we start voting at 12 noon, we would be voting until 5 o'clock in the afternoon.

In addition to that, we have an hour or two that will have to be taken out, obviously, for the memorial service for Admiral Boorda. In addition to that, we have the usual two caucuses, or conferences, of the two parties, which takes place at noon. I am also advised that sometime during the evening tomorrow, there is a dinner planned for Senator SIMPSON, one of our most distinguished Members, who is retiring from the Senate.

So with that complicating factor, it makes good sense for Senators who can to now come to the floor and offer amendments. I see that, while I have been talking, my colleague from Texas has come to the floor, as I understand it, to offer an amendment. With that, I am pleased to yield the floor for the chance for the Senator from Texas to offer what I understand is an amendment.

The PRESIDING OFFICER. The Senator from Texas is recognized.

AMENDMENT NO. 4009

(Purpose: To express the Sense of the Congress that the 1993 income tax increase in Social Security benefits should be repealed)

Mr. GRAMM. 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 Texas [Mr. GRAMM] proposes an amendment numbered 4009.

At the appropriate place, insert the following:

SEC. . SENSE OF THE CONGRESS THAT THE 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS SHOULD BE REPEALED.

(a) FINDINGS.—Congress finds that the assumptions underlying this resolution include that—

(1) the Fiscal Year 1994 budget proposal of President Clinton to raise federal income taxes on the Social Security benefits of senor citizens with income as low as $25,000, and those provisions of the Fiscal Year 1994 recommendations of the Budget Resolution and the 1993 Omnibus Budget Reconciliation Act in which the 103rd Congress voted to raise federal income taxes on the Social Security benefits of senior citizens with income as low as $34,000 should be repealed;

(2) that the Senate Resolution should reflect President Clinton's statement that he believed he raised federal taxes too much in 1993; and

(3) That the Budget Resolution should react to President Clinton's Fiscal Year 1997 budget which documents the fact that in the history of the United States, the total tax burden has never been greater than it is today, therefore.

It is the sense of the Congress that the assumptions underlying this Resolution include—

(1) that raising federal income taxes in 1993 on the Social Security benefits of middle-class individuals with income as low as $34,000 was a mistake;

(2) that the federal income tax hike on Social Security benefits imposed in 1993 by the 103rd Congress and signed into law by President Clinton should be repealed; and

(3) President Clinton should work with the Congress to repeal the 1993 federal income tax hike on Social Security benefits in a manner that would not adversely affect the Social Security Trust Fund or the Medicare Part A Trust Fund, and should ensure that such repeal is coupled with offsetting reductions in federal spending.

Mr. GRAMM. Mr. President, I am making a modest proposal that the President and the Congress should work together to go back and fix a problem in the 1993 budget whereby the Democrats, while continuing to say that no American making less than $115,000 a year was going to pay more income taxes as a result of the 1993 Clinton tax increases, raised taxes on Social Security benefits, and the President tried to impose that tax on individuals making $25,000 or more.

We ended up in Congress seeing it adopted on a straight party-line vote—I am proud to say every Republican voted against it—and taxes were increased on Social Security benefits for any individual who has earnings of $34,000, or more.

I want to first note that we are already moving toward repealing the gasoline tax that was contained in the 1993 Clinton budget. It is my belief that we will break the logjam perhaps this week and allow a vote on repealing that gasoline tax. I think we will have at least 75 Members of the Senate vote to repeal it. Gasoline prices have risen dramatically over the past few weeks, and this is the only way we can immediately lower the cost of gasoline to the American consumer. It is important to note that, in 1993, for first time in the history of this country we had a permanent gasoline tax increase that was not dedicated to road building.

Historically the gasoline tax has been a discriminatory tax. It taxes people who live in rural areas more than those who live in urban areas. It taxes people who live in the West more than it taxes those who live in the East, and the same is true for those living in the South relative to those in the North. Overall, it hurts most those people who have to drive their cars and their trucks to work.

To try to deal with the discriminatory nature of the gasoline tax, historically we have not used it—at least since we established the highway trust fund—as a permanent revenue source for general Government. Instead, we have used gasoline taxes to build highways.

The argument has been that when people pay the tax, it is essentially a user fee that goes to build roads. The people who pay the most, because they drive the most, are the biggest beneficiaries of road maintenance and road improvement.

We are well on our way, I hope and believe, to repealing the unfair gasoline tax in part because it was the first time a permanent gasoline tax went to the general revenue and not to road building. As a result of this first even change in the way we handle gasoline taxes, since 1993 we have been taxing, in the words of our colleague from Missouri, people who have to drive to work for a living in order to subsidize people who do not work.

So I think we are well on our way to fixing the first problem with the 1993 tax increase proposed by President Clinton.

I am proposing today a sense-of-the-Senate resolution that will begin moving us toward fixing the second problem: the very heavy tax that was imposed on Social Security benefits.

First of all, I want to dispel this notion, which is still embodied in the political rhetoric of the President and of the Members of Congress who voted for this tax increase, that the tax increase in 1993 did not raise income taxes on people who made modest incomes. In fact, their standard line is nobody earning less than $115,000 a year paid more income tax.

I want to begin dispelling this notion by looking at the 1994 1040 formats and instructions that were mailed to over 100 million households in the country. I think that when we look at this tax form we can immediately see that the people who make the argument that ''nobody's income tax was raised if they made less than $115,000 a year'' are not leveling with the American people.

The way we can do this is first by looking at page 7. This is section 1 and it says ''Before you fill in form 1040, here is what is new for 1994.'' As you read down the first column, you see Social Security benefits, and it says, ''If your income, including one-half of your Social Security benefits, is over $34,000, if single—over $44,000, if married filing jointly—more of your benefits may be taxable. See the instructions for lines 20(a) and 20(b) on page 18 for details.''

When you look at the actual 1040 tax form—which will be the same this year as well—if you look at line 20(a) you see you have to enter the level of your Social Security benefits, the amount that is taxable is added to your income and, therefore, your income taxes go up.

Let me tell you why I think this tax needs to be repealed. First of all, what we are beginning to do with means testing entitlements and with this confiscatory tax on Social Security benefits, is basically to divide America neatly into two groups: one group of people which pays for programs and the other group which benefits from these programs but largely does not pay for them. When we have reached the point that we are imposing a confiscatory tax on Social Security benefits for people who earn $34,000 a year, what we are really saying to working Americans is, ''If you say save for your retirement, if you build up a private retirement fund, if you build up an annuity, if you save your money, and if you use the ability you had during your working lifetime to provide for your retirement, we are going to come in and take a substantial part of your Social Security benefits away from you. But, if you do not provide for your future, if you do not save, and if you do not build up your retirement, then you are not going to lose your Social Security benefits.''

What we are in fact doing is we are encouraging Americans not to build up their private retirement because, if they do, we will then come in and take their benefits away from them. This is a part of a larger movement toward what is called means testing in all areas of American government.

Basically the approach today is to say, if you earn a benefit and pay for it, great, but unless you meet an income test, even though you paid for the benefit, you do not get it. My view is that it would be wiser to divide earned benefits from unearned benefits. Under this system, if someone has earned a benefit by paying for it, they ought to get it, but if they are getting something they have not earned, then their eligibility should be judged based on their income. I believe that of all the provisions in the President's 1993 tax bill, the Social Security portion was probably the most unfair—even the President tried to hide what he was doing. If you will remember in the debate and all of the materials that were presented by the administration, what they tried to do was to argue that, well, if your mother has $34,000 of income, she is actually much richer because she probably owns her own home, and, if she moved out and lived in a tent, she could rent her house and you could count that as her income; or if she owns a refrigerator, if she sold it or rented it, she could earn income on it; or even if she has insurance—these were all considered sources of income. According to the administration, for the first time in American history that I am aware of, in 1993, the Democrats talked about imputed income, and it seems to me that what the Democrats were trying to do was trying to hide the fact that they were taxing Social Security benefits—the President wanted to tax individuals making $25,000 or more; Congress adopted a tax on those earning $34,000 or more.

What I am doing in this amendment is very simple. First, I am noting the fact that income taxes were raised—you can see that right here on the 1040 form. There is no doubt about it; this Social Security tax is not some separate tax, it is part of your income tax. As every senior citizen know—you take half your Social Security benefits, you add it to your outside income, and then you pay taxes on it.

What I want to do is to call on the President to join the Congress in order to come up with a proposal to repeal this unfair tax, and to offset it by cutting spending elsewhere. I am not in this amendment saying ''do it my way,'' I am saying let us work with the President on a bipartisan basis, and let us do it in such a way that it does not damage either Social Security or Medicare.

I remind my colleagues that none of this tax went into the Social Security trust fund. In fact, permanent law was changed to put the money in general revenue in order to subsidize cost overruns in Medicare. What we need to do is to work with the President to try to come up with a way to repeal this unfair tax. I think this is a tax that should have never been adopted. I remind my colleagues that the President said in 1994 he raised taxes too much. I think the gasoline tax was one of those taxes, I think Social Security is another of those taxes, and I think it is very important that this tax be repealed.

One final point, I see several of my other colleagues are here, but I want to reiterate a point that I made the other day. Something is wrong in these debates when the people who want to raise taxes always argue that every tax increase is only on rich people. This was the argument made in 1993, but subsequently, we have discovered that everybody pays gasoline taxes. As our colleague from Missouri in the best line of the debate said, the Government is taxing people who are driving to work for a living and giving the money to people who do not work. We now find that the Government is taxing Social Security benefits on people who earn $34,000 a year, but in the continuing rhetoric of those who constantly want to raise taxes, in 1993 we were supposedly only raising taxes on the rich.

We have in the budget before us sufficient funding to give a $500 tax credit per child for every working family in America. As we all know, that credit starts to phase out for families who earn higher incomes. No one disputes the fact that 75 percent of the benefits

go to people who make less than $75,000 a year—in most families by the time they are making substantial amounts of money their children are already grown, so it is not surprising that the well off do not qualify.

However, have you noticed that the same people who were arguing a gasoline tax is only a tax on the rich, and who argued that a Social Security tax on incomes over $34,000 a year was only a tax on the rich, are now claiming that a $500 tax credit per child is a tax cut for the rich?

When you go back and look at the rhetoric, those who want to raise taxes always claim to be taxing rich people, and whenever anybody else proposes cutting taxes, they are accused of wanting to cut the taxes of only rich people. It is as if these taxers believe that everybody who works for a living is rich. It is as if they believe only rich people pay taxes.

The reality, of course, is that in terms of the overall revenues of the country, there are not very many rich people. We could take the total income of all of the supposedly rich, and still not fund the Government for the month. Where the real revenues come from is middle and upper middle-income working families. What I want to do in my amendment is to have the Congress go on record as saying the 1993 tax hike on Social Security was a mistake, and have the Congress join together with the President to work out a bipartisan proposal so that we can repeal this Social Security tax. This tax is unfair, it discourages people from providing for their retirement, it punishes those who saved and sacrificed during their working life, and it takes benefits away from them relative to people who have not saved. That clearly is not good public policy. It clearly is not right. I hope we pass this amendment unanimously, and I urge my colleagues to vote for it tomorrow. I yield the floor.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I ask unanimous consent that the pending amendment be set aside so that I may offer an amendment.

The PRESIDING OFFICER. Is there an objection?

Mr. EXON. Mr. President, reserving the right to object, if I understand it, my friend from Colorado is offering another amendment before we have any more debate on the amendment just offered by the Senator from Texas?

Mr. BROWN. That is correct. I think I can accomplish it in 60 seconds and I hope not to disturb or delay the——

Mr. EXON. With that—anything to preserve time—I have no objection.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 4010

(Purpose: To express the sense of the Senate that there should be a cap on the application of the civilian and military retirement COLA)

Mr. BROWN. Mr. President, I rise to 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 Colorado [Mr. BROWN] proposes an amendment numbered 4010.

Mr. BROWN. 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 end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING CAPPING FEDERAL RETIREMENT COLAS.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that there should be a COLA for only that portion of individual civilian and military pension levels that do not exceed $75,000 per year.

Mr. BROWN. Mr. President, as one looks at the budget, the enormous gulf that faces us down the road is clearly related to entitlement programs and the prospect that many of our entitlement programs will literally be insolvent as we get into the years 2010 and 2020. I want to address that.

One of the problems with addressing this is that many of these benefits are earned. Reasonable limitations, for example, on entitlement programs merit consideration; it would be wise policy, but the major problem is that we do not want to make changes retroactively.

This amendment is very straightforward. It proposes a sense of the Senate that I hope will result in reconciliation reconstruction that says any military or civilian retirement paid by the Federal Government is entitled to a full COLA on the first $75,000 but that portion above $75,000 will not generate an additional COLA.

Mr. President, why is it important? It would not save that much money only from the very, very high pensions right now. It is important because while there are very few pensions above $75,000 a year right now, 30 years from now there will be a large number of them and this in 34 years will save literally tens of billions of dollars. It is a way of helping to stabilize those funds and make sure that they do not go insolvent in the future and do it in a way so that it does not affect people retroactively.

I yield the floor, Mr. President.

AMENDMENT NO. 4009

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I should like to return and take time for the remarks I am about to make in opposition to the Gramm amendment that was offered a few moments ago.

Mr. President, first, on the Gramm amendment sense-of-the-Senate resolution. I want to explain exactly what a sense-of-the-Senate resolution is, so that everyone outside the Senate knows what it is? A sense of the Senate merely means that the Senate is saying, without having any effect whatsoever of law, that this is probably something that we should do. Therefore, the sense-of-the-Senate proposition offered by the Senator from Texas is not binding, is not going to accomplish anything, but it might make some people feel good, and it may well be a good political base for the majority party in the U.S. Senate.

It is not unlike the amendment previously offered in this regard by the Senator from Missouri that I have made some comments on. I happen to feel that while we can have differences of opinion on all of these things, I simply say that the world is not going to turn around, nor is any law going to turn around, by long debate, as if it were fundamental to the free enterprise system, or wasting time on sense-of-the Senate resolutions. That, in my view, does not make sense.

Mr. President, the President's historic deficit reduction package asks the top 13 percent of Social Security recipients—only the top 13 percent of Social Security recipients—to pay taxes on those funds. Every penny of the revenue from this provision went to strengthen the Medicare trust fund.

The Senator from Texas conveniently overlooked that when he said, quite cleverly, that not 1 penny of this tax on the highest 13 percent of the recipients in Social Security went back into the Social Security trust fund. That is true, but that is the trouble with debate oftentimes on the floor of the U.S. Senate. We are talking in half-truths, and half-truths confuse the American people.

By and large, people who draw Social Security, and qualify to do so after having paid in, are in the Medicare trust fund. We have heard a great deal about Medicare's being insolvent and going broke. I said on the floor of the Senate last week that a lot of that was merely to scare senior citizens.

Where would the Medicare trust fund be today if the President had not decided and the Congress had not acted to make the top 13 percent highest paid recipients of Social Security pay some tax since the funds go directly into their Medicare trust fund to help them out when they get sick.

This whole debate is phony, especially at a time when the Republican majority is hammering, suggesting increased premium payments for Medicare, when the majority is cutting Medicare far more than is necessary, and at a time when the majority is ''doing in'' rural hospitals. At the same time, they are turning around and drawing up the 1993 tax bill as a means of a political attack during a very political year.

I must say, for the information of the Senate, since the Republicans are

bringing up the 1993 tax bill and saying how bad it was, that I think every reasonable person would agree that because of the 1993 tax bill, for the first time in modern history we have had a steady 3-year decline in the annual deficit from above $300 billion down to under $150 billion. That helps the senior citizens and that helps America. But here they are dragging up 1993 all over again.

If they want to talk about 1993, we at the present time are going to produce some research, and if we are going to waste the time of this body while we are considering a very important matter of balancing the budget, bringing it into balance by the year 2002, I will take some time to talk about what some Members on that side of the aisle said about the 1993 tax bill. I have been handed some statements already, but I will save those for another time.

If we are just going to be out here talking, talking, talking, talking about restoring cuts in Social Security taxes to the top 13 percent highest income recipients of Social Security, and if we are going to be talking about that and saying how important it is and how unfair it was for the President of the United States to do that, then I think, likewise, people who are even proposing this in the form of a sense of the Senate should come up and say, ''Where are they going to get the money?'' Where in the world are they going to get the money to do all of these things that they claim they want to do, which they are not doing with a meaningless, ineffective sense-of-the-Senate resolution? Is that being honest with the American people?

So I simply say to my colleague from Texas, what he should do, if he is serious about this, is to say, ''Where is the money going to come from,'' because every time we have a Republican get up with these kinds of arguments, Mr. President, this logical question deserves an answer. Fine, we sure want to cut taxes, and we will go with you. Tell us where the money is going to come from to balance the budget by the year 2002, which I thought, and I am beginning to have second thoughts, was one of the main tenets of the Republicans' efforts.

The 1993 tax bill that they are now attacking, once again, did not affect retirees who only rely on Social Security. Eighty-seven percent of Social Security recipients have not paid 1 penny more—let me repeat, 87 percent have not paid 1 penny more. Only the top 13 percent of Social Security recipients were affected by those provisions. Those beneficiaries live in households with an average net worth of over $1 million.

Social Security benefits were first made subject to taxation in 1984 when Ronald Reagan was President of the United States. Ronald Reagan's Social Security provision affected 69 percent of older Americans who have lower income. Howard Baker was the Senate Republican majority leader and BOB DOLE was the chairman of the Finance Committee. When I am forced to go back and make statements like this, I say to myself, ''JIM EXON, you are doing the same thing that the Republicans are doing. You're talking about history to make political points.'' Therefore, Mr. President, I am going to get off that, I am going to heed my own advice, if they will simply let up on that side about offering amendments that make no sense, offering amendments that will make it impossible for us to balance the budget by the year 2002, at the very time they are talking about offering a constitutional amendment to balance the budget by the year 2002.

With the attitude I am hearing from that side of the aisle, Mr. President, I wonder if the American people fully realize where they are trying to take us, and if they are sincere in what they are offering. Maybe it is all just politics.

Mr. President, I yield the floor with an appeal once again that we can get this job done. We can balance the budget if we will be honest with each other. But I say we will never do it, Mr. President, if we are going to continue the type of diatribe that we are receiving on the floor of the Senate right now, this fiscal conservative will not be a part of.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Mississippi.

Mr. LOTT. Mr. President, I rise in support of the amendment offered by my friend, the distinguished Senator from Texas, Senator GRAMM. This amendment is a sense of the Senate that the Social Security tax proposed by the President and passed in 1993 should be repealed. Let me first respond directly to one of the comments just made by the Senator from Nebraska. I will tell him where this money is coming from. It is coming straight from the frugal, prudent, hard-working Americans who sacrificed and invested in America.

This tax penalizes the people who have saved for their retirement. In Washington, when we talk about cutting taxes, everybody asks ''Where is it going to come from if you allow people to keep their own money?'' I feel totally comfortable telling the seniors that they are going to be able to keep a little bit more of the money that they worked for, that they have earned, that they have saved.

There were so many things in that 1993 tax increase of $265 billion that I thought were wrong, the gas tax being one of them, for a varieties of reasons. That hits every American that drives an automobile, a truck, a boat, or flies in an airplane. Everybody got hit by that. I objected to it when it was proposed and enacted.

But this one got me the most because we are taxing the Social Security benefits of our retirees, our seniors. It raised the percentage of taxable benefits from 50 percent to 85 percent. In my opinion, this was the most offensive of all the tax increases included in that package.

Was it going to go, though, into the Social Security trust fund? No. Was it going to go directly into reducing the deficit? No. It was moved over into another account. This is a precedent that really worries me. We have started down a road here that I believe is wrong and will come back to haunt us many times.

This is a sense-of-the-Senate amendment on the budget resolution. But there is no reason why we should not—and I hope that we will before this year is out in a bill that comes from the Finance Committee—repeal this unbelievable 1993 tax increase.

We fought it in 1993. I offered amendments in the Budget Committee to knock it out. I offered those amendments on the floor. They were defeated basically on a party-line vote; although, as I recall, I think maybe some Democrats actually did vote to knock it out, too. We fought it then, and we should not give up the fight now. That is why I introduced S. 50, a bill to repeal this onerous tax and why I am here today in support of Senator GRAMM's amendment.

We have taken action this year, at long last, to finally raise the limit on earnings that our seniors can keep without being forced to give up part of their Social Security benefits. At this point—or up until we made that change—if people between 65 and 70 made over $11,500 a year, they would start losing some of their benefits. At least we are going to now hopefully get that raised up to $30,000. I hope we will continue to move to completely eliminate this earnings test.

I ask people when I make speeches around this city, and back at home in Mississippi, ''Can you defend the fact that we have penalized people in just that age group?'' You do not have the same penalty if you are 71. But if you are 67, and you want to keep working and being productive and making a contribution and paying taxes, you get penalized. So the law that we passed recently to raise the threshold was one step in the right direction that we have made. And this is another one that we can make and we should make.

Some people say, ''Oh, my goodness, once again you're worrying about taxing the rich. Yes, they may be elderly, but they must be rich.'' Well, as I recall, when the President sent this proposal up to us, it started to tax benefits if people had incomes of the princely sum of $25,000. In my State of Mississippi you can get by on that, but that is not rich anywhere in America. As a result of our efforts to kill this tax increase outright, we finally wound up getting that up to $34,000 a year. Once again, I ask you, is that somebody rich? I mean, if you have income of $34,000 a year, then you are hit with this tax. And the number of people who have to pay this unfair tax will increase each year because the thresholds are not indexed.

I think there is nothing crueler that we could do when we are encouraging our seniors to stay involved and be productive than to penalize savings and working. It is harmful to the economy.

We hope to make some changes in the tax area this year. Most of them I believe will help families with children, like the $500 per child tax credit. Some will help economic growth and the creation of jobs. But none is more important, in terms of fairness, than the repeal of this tax increase, taxes on Social Security benefits.

Some people say, ''Well, it doesn't really affect your income taxes.'' Well, Senator GRAMM, from Texas, pointed out that it certainly does. This is the form 1040. It specifically has a line for reporting Social Security benefits as income.

I want to emphasize it again. It says that if your income, including one-half of your Social Security benefits, is over $34,000 if single, or over $44,000 if married filing jointly, your benefits may be taxable. See instructions on lines 20(a) and 20(b) on page 18 for details.

There is no question that this is a tax increase on the elderly's income. I urge my colleagues to quit trying to defend it. Just acknowledge that it was a mistake. This is something that we can do for our seniors. We should clearly do it. I urge the adoption of this amendment by my colleague from Texas. I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank the Chair. I understand the Senator from Nebraska has a question.

Mr. EXON. Would the Senator yield for a brief question, because I know that the Senator from North Dakota has worked long and very hard on this proposition? I assume that he is going to be talking about the efforts that he and I and others have been trying to put forth to bring sanity back into the financial structure of America.

Yet I am very much concerned about the fact that we have people on the other side who are making critical statements and offering meaningless amendments to give them a forum to talk about things that do not make any sense. But the latest I hear now once again is this cry to reduce taxes on Social Security recipients. OK, I am for reducing taxes on everybody.

The question I ask the Senator from North Dakota, who has done lots of research and is considered an expert on this, has the Senator heard or does the Senator understand, if we would adopt something like they are suggesting on that side into law, have they stipulated where the offset would be or does that just come from the tooth fairy?

Mr. CONRAD. The Senator from Nebraska asks a very good question. I was thinking next of offering an amendment that would repeal all taxes. Let us repeal them all. Of course, I do not have to pay for such a proposal in the context of a sense-of-the-Senate resolution—just as some have not paid for their proposals.

I must say, for sheer hypocrisy, the presentations I have heard this morning go beyond almost anything I have heard in a long time. I guess it is an indication that we are close to an election. On the one hand, our colleagues on the other side say they want to reduce the deficit and balance the budget. Yet they also propose reductions in income to the Federal Government without a replacement, which is the height of hypocrisy, and it is precisely what got this country into trouble in the 1980's.

I would like to demonstrate this point with some charts. We can see what has happened with the deficit when our friends across the aisle were in charge.

Mr. EXON. Will the Senator yield for a follow up question in that regard?

Mr. CONRAD. I will be happy to yield.

Mr. EXON. As long as we are talking about history—they are talking about 1993. I would just like to ask my friend from North Dakota, because I believe he will know the answer, in 1983, when Ronald Reagan was President of the United States and the Republicans were in control of the U.S. Senate, President Reagan recommended that we, at that time, pass the very first—the very first—tax on Social Security recipients above a certain income level. Am I correct in that? That was the year, was it not?

Mr. CONRAD. I think that is correct, that that was part of the 1983 act, which imposed a tax on Social Security of retirees.

Mr. EXON. I am wondering if the Senator from North Dakota would, offhand, know how the Senators who are now assailing that action by President Clinton, how they voted on the first act in this regard?

The Senator from Missouri was not a Member of either the House or the Senate at that time, but I believe the other Members of the Senate who are now assailing this, as if it were a new violation of the rights of Social Security recipients—would my colleague know offhand how they voted on that first act President Reagan suggested back in 1983?

Mr. CONRAD. I do not presume to know how they voted. But I assume, since it was a recommendation from President Reagan, they may have supported their President in that recommendation.

Mr. EXON. I thank my friend.

Mr. CONRAD. Mr. President, let me just say, this is one of those things that is very easy to come out here and demagogue. It is precisely what is wrong in this country—not just wrong on their side of the aisle; we have plenty of it on our side of the aisle, too. It is exactly why this country is in trouble. Because the easiest thing in the world to support are policies that increase the deficit and add to the debt. That is exactly what has been going on here since 1980.

This chart shows what has happened to the deficit since 1980—this is expressed in dollar terms. In 1980, the deficit that President Reagan inherited was about $70 billion. But look what happened during the Reagan years. The deficit absolutely exploded. It went up to over $200 billion a year, finally hitting over $220 billion in 1986. The unified Federal budget deficit then came down as measured in dollar terms, and stabilized throughout the rest of President Reagan's term.

Then we got a new President, President Bush, and the deficit took off again. There was a dramatic increase. The deficit went up to $290 billion in 1992, the year before Bill Clinton became President of the United States. Since Bill Clinton has been President, these deficits have come down each and every year. The deficit in dollar terms has been cut in half since 1992.

Why did this happen? It happened because some of us had the courage to vote for a package in 1993 that, yes, raised taxes, primarily on the wealthiest 1 percent in this country. It also cut spending. The combination, an increase in taxes primarily aimed at those who are the wealthiest among us, coupled with cuts in spending, cut the deficit in half. Bill Clinton deserves credit for that.

Our friends on the other side of the aisle, when that 1993 deficit reduction bill passed, said it would crater the economy. They said it would add to unemployment. They said it would put us in a recession. They were wrong. They were wrong on every count. It reduced the deficit. As I have indicated, it cut the deficit in half. But not only did it reduce the deficit, it reduced interest rates, it sparked an economic recovery that has created over 8.5 million new jobs.

Beyond that, we have had the highest level of business investment in 30 years. We have had strong economic growth. The result has been a resurgent American economy. This country is now rated the most competitive nation in the world. One of the key reasons is because we reduced the deficit in 1993.

Now, some on the other side of the aisle, seeking political advantage, want to go to the heart of things that contributed to that package of deficit reduction. What a profound mistake that would be. We should not allow deficits to start going back up, year after year, and to put the country back behind the 8-ball of debt. Debt, deficits and decline, Mr. President. Those are the three ''D's'' of those in the 1980's who put this country on a diet of endless deficits and debt. What a profound mistake it would be to go on that course once again.

I want to make clear, the Senator from Missouri has proposed an offset for his tax reductions. I do not put him in the same category of others who do not. I disagree with the spending cuts the Senator from Missouri has proposed, but at least he has had the honesty to stand up and say how he would

pay for his amendment. I commend him for having the forthrightness to say how he would pay for those tax cuts. That is the way we ought to do business here. Then we can have an honest debate about whether those spending cuts are wise or not.

But I must say, I have no respect for people who stand on this floor and propose reducing revenue and do not say how they are going to pay for it. That is precisely what got us in this spot we are in today.

The first chart I used today showed unified Federal budget deficits in dollar terms, and the record of our two previous Presidents. This next chart shows it in a little different way. This next chart shows, as a percentage of our gross domestic product, what has happened to the deficits. In other words, these are the deficits in relationship to the size of our economy.

Again, one can see the pattern. Under President Reagan, the deficit soared from about 3 percent of our gross domestic product to over 6 percent. The deficit as a percent of GDP then came back down as deficit reduction measures were put in place, to still over 3 percent. Then President Bush came into office and once again deficits soared as a percentage of the gross domestic product or as a percentage of the size of our economy. Then Bill Clinton took over in 1992, and the deficits have come down sharply as measured against the size of the gross domestic product—a very good start. It does not finish the job. We have much more that needs to be done for deficit reduction.

Some say deficit reduction is not so important. Some say we now have the lowest deficits in the industrialized world, that we have made great progress. We are OK.

Mr. President, nothing could be further from the truth. We have made significant progress. We have cut the deficit in half. We have cut the deficit, compared to the size of the economy, in half. We have the lowest deficits of any of the industrialized countries.

The problem, Mr. President—and I would say the occupant of the Chair knows this well as a distinguished member of the Budget Committee—the problem is, we have the baby-boom generation coming, and we have a demographic time bomb that we have to face.

Mr. President, this next chart shows where we are headed, in terms of our national debt. Very often people are confused at the difference between the deficit and the debt. The Federal budget deficit is the yearly amount that we spend over and above what we take in in revenue. The deficit is the annual difference between what we take in and what we spend. The deficit has been coming down. The debt is the cumulative total of all of our deficits. Obviously, as long as we continue to run deficits, the debt will continue to mount.

This chart shows what will happen to the gross Federal debt with no action, with no further deficit reduction. Mr. President, it shows that when Ronald Reagan took over as President, the debt was less than $1 trillion in this country, about $900 billion. Look what has happened since that time. The debt has gone up and up and up and up. Mr. President, that is a course that is unsustainable. It is especially unsustainable when one recognizes that we have the baby boom generation coming along. Medicare is currently among the fastest growing of any program in the Federal budget in terms of its cost. When baby boomers start to retire, the number of people who are eligible for programs like Medicare and Social Security will double from 24 million to 48 million. Then, Mr. President, we will truly be in a circumstance in which we will face a budget calamity. That budget calamity has been outlined for us very clearly. If we fail to act, future generations will face either an 82 percent lifetime net tax rate or a one-third cut in all benefits.

Mr. President, I ask those who are listening, those who may be senior citizens who are hearing that their taxes may be cut, I ask them to think, what does it mean to your grandchildren if we do not get our fiscal house in order? If future generations in this country face an 82-percent lifetime net tax rate—yes, I am not misspeaking; an 82-percent tax rate, or a one-third cut in all benefits—because that is where we are headed if we do nothing.

Mr. President, let me put it another way. Last year the Entitlements Commission, on a bipartisan basis, told us that by the year 2012, if we fail to change course, every penny of the Federal budget will go for just entitlements and interest on the debt. There will be no money for any of the other things that people say they need in this country, whether it is parks, education, or law enforcement. There will be no money for any of that. All of it will go for just entitlements and interest on the debt by the year 2012. Mr. President, that is why we must take action.

I have shown the chart that shows what has happened to the growth of the debt in dollar terms. It is skyrocketing. There is a little different picture that emerges when one looks at debt as a percentage of our gross domestic product. In other words, roughly speaking, debt in relationship to the size of our economy. There, too, one can see the trend line. It has been extremely unfavorable. We had a national debt, as a percentage of our gross domestic product, it was just over 30 percent in 1980. Look what has happened. The debt, measured against the size of our economy, measured against the gross domestic product, has been rising, rising, rising. This is a course that is unsustainable. It is now, as we meet here in 1996, up to 70 percent. I say to my colleagues, we faced a much higher debt in relationship to our gross domestic product after World War II. At that time, debt to GDP was over 120 percent. Under every President and under every Congress from after World War II until 1980, the debt measured against the size of our economy, measured against the gross domestic product, declined—declined, went down.

Look what happened after the Reagan administration, after we heard this same swan song that you can cut revenue and you will get more income and it will all add up. Hooey. Absolute hooey. It was a disaster. It added to the deficits, it added to the debt, and it created economic decline in this country because interest rates were forced up, made this country less competitive, and hurt every sector of our economy. Let us not repeat that mistake. That would be a profound error for the economy of this country.

Mr. President, the good news is since the Clinton administration and Congress passed the 1993 deficit reduction bill, the debt as a percentage of GDP has leveled off. It has quit soaring and it has leveled off. Now, Mr. President, what we need to do is start the debt as a percentage of GDP going down, to put it in decline. That is our responsibility. That is our challenge. The best way to do that, Mr. President, is to adopt a budget plan that cuts spending because further deficit reduction, at least in my judgment, should be based on reducing spending, not on further tax increases.

In fact, I have been part of a group, a bipartisan group, 22 Senators, who will present an alternative plan this evening that not only cuts spending but also has a modest tax cut as well. Mr. President, we should not and we cannot have an overall plan that increases the deficit year after year or that fails to move us toward balance. That would be a profound mistake. Let me just show how profound a mistake it is to give up on this deficit battle. I understand, it is not particularly popular to cut spending, nor is it particularly popular to oppose further tax cuts that are not paid for. Mr. President, it is critical that we have the courage to do so. The future of our children is at stake.

Mr. President, this chart shows our children's economic position in the year 2025 under two different scenarios. These are not my projections. These are the estimates of the General Accounting Office. This is a study they did a year or two ago. They concluded that if we take no action, by the year 2025 our children's economic position will be at about $28,000 a year. If, instead, we have a balanced budget by 2002, our children's economic position in the year 2025 will be improved to over $37,000. That is a dramatic difference in the economic futures of our children.

The question is, do we have the will to stay on the deficit reduction course that we have been pursuing for the last 3 years? Do we have the courage to continue to reduce spending? Do we have the courage to maintain the revenue base so these deficits continue to

go down and so the debt in relationship to the size of the economy starts to go down, so that interest rates are lower, so that more money is invested in this country, so that we can have greater economic growth? You cannot have investment without savings. The best way to improve savings in this country is to stop the ''dissavings'' by the Federal Government. The deficits represent dissavings. The deficit represents reducing the pool of money that is available in our society for investment. It is that investment that will fuel future economic growth.

Mr. President, another way of looking at what the future holds is our children's debt in 2025. Again, in the no-action scenario versus a balanced unified budget by the year 2002, Mr. President, you can see very clearly under the no-action scenario, our children's debt in 2025 will be over $60,000 for every person in this country. Mr. President, the alternative, if we balance the budget by the year 2002—and that is unified balance rather than true balance, but unified balance by 2002—our children will have a debt of $4,800 instead of $60,000. That is why we have to be deadly serious about the job of deficit reduction.

Mr. President, this chart presents where we are headed in a different way. It shows very clearly that current trends are not sustainable. This chart shows the total revenues of the United States. Again, this is measured as a percentage of the gross domestic product, Federal outlays as a percentage of the gross domestic product. The green line shows revenue, current revenue, projected until the year 2030. Revenue runs right below 20 percent of our gross domestic product. That is historically what Federal revenue has been. This chart shows discretionary spending as the blue bar. It shows net interest as a yellow bar. It shows entitlement spending as a red bar.

Look at what this chart shows. This is 1970. Discretionary spending was by far the largest. Entitlements were relatively small in comparison. By 1980, discretionary spending was about the same size as entitlement spending. But entitlement spending was growing rapidly.

In 1990, the deficit is worse. Discretionary spending is now smaller than entitlement spending. The yellow portion shows interest growing dramatically. In the year 2000, you can see the trend—entitlements, again, now much larger than discretionary spending. In 2010, 2020, the same pattern until we reach 2030. By that time all revenue of the Federal Government will be eaten up by entitlement spending.

Mr. President, this is not a course that is sustainable. I indicated that, later today, a bipartisan group of us—22 Senators, 11 Democrats and 11 Republicans—are going to present what we call the centrist budget. It is a compromise between things that Republicans have advocated and policies that Democrats have advocated. It is an attempt to break through the gridlock, to actually achieve an agreement so that we can get this country on a course of deficit reduction that is sustainable and that will lead to unified balance in the year 2003. It is a 7-year plan of deficit reduction, but one that does not only reduce the deficits in the next 7 years, but creates a platform that will encourage deficit reduction beyond that point, and that will secure deficit reduction beyond that point because of entitlement reforms that are critically important to our economic future.

Mr. President, this chart shows what happens under the Republican plan that is before us, which is the blue line. The green line is the President's budget plan. This lighter colored line, is the centrist plan. The red line shows what happens if we fail to take action. It is the so-called baseline. You can see that deficits will rise inexorably if we fail to take action.

Under any of the other three plans, we will see steady downward progress with respect to the deficit.

Mr. President, I hope my colleagues will give serious consideration to the centrist plan when we present it later today. I wanted to outline the differences on the 7-year plans between what the Republicans have before us, what the President has advocated, and what the centrist coalition has agreed to.

Mr. President, this part of the chart compares the plan on a 7-year basis. It looks at the major categories of spending and compares the centrist plan, the Clinton plan, and the Republican plan. On discretionary spending, the centrist plan proposes savings of $268 billion over the next 7 years. The Clinton plan, which is a 6-year plan, but if you extend the policy for 7 years, would have $312 billion of savings out of discretionary spending. The Republican 7-year plan would have $393 billion of savings out of discretionary spending.

Our group, the bipartisan group, concluded that both the Clinton plan and the Republican plan are unrealistic in their discretionary savings. They are heavily backloaded in both cases—both the Republican plan and the President's plan. Frankly, we believe future Congresses are unlikely to hold to the path that they have outlined. That is precisely what has been wrong around here. We adopt plans that do not have any realistic prospect of coming true.

Mr. President, on Medicare, which has been such a hot-button issue in this Chamber and across the country, the centrist plan saves $154 billion over 7 years. The President's plan—and, again, he has a 6-year plan, but if you extend the policy 7 years, he has about $156 billion over 7 years. The Republican plan, $228 billion in savings out of Medicare over 7 years.

Many of us would conclude that the Republican plan goes too far. Those savings are going to require reductions from what current law provides in a way that will be very difficult, especially for rural hospitals in the State that I represent.

On Medicaid, the centrist plan, $62 billion over 7 years; President Clinton's plan, $81 billion over that period of time; and the Republican plan before us, $106 billion. Again, this is assuming you take their 6-year policy and extend it to 7. Welfare, EITC, centrist plan, $58 billion savings over 7 years; Clinton plan, $52 billion; and the Republican plan, if you take the 6 years of policy and extend it, $87 billion.

A major difference between the centrist plan and the other plans before us is that we have made a technical correction to the Consumer Price Index of one-half of 1 percent. I just say, if there are those who are serious about entitlement reform, if there are those who are serious that we are on a course that is not sustainable. If there are those who are serious that we face a situation that will lead to either an 82-percent lifetime tax rate for future generations or a one-third cut in all benefits, because entitlement spending is running out of control, a technical correction of one-half of 1 percent in the Consumer Price Index is something that will help secure the economic future for not only senior citizens, but for the American economy as well.

Mr. President, economist after economist have told us that the Consumer Price Index overstates the cost of living. Of course, we use the Consumer Price Index to alter Social Security payments, to index the tax system, because we want to make adjustments for increases in the cost of living. The problem is that the best evidence we have is that the Consumer Price Index is overstating increases in the cost of living. There is a mistake, and that mistake is very, very costly. A 1 percent change in the Consumer Price Index, if it is overstating the cost of living by 1 percent, that is over $600 billion over 10 years.

Mr. President, we had a group of economists—a bipartisan group—review this question for the Senate Finance Committee. They came back and told us that the Consumer Price Index overstates the cost of living by from 0.7 percent to 2 percent.

Mr. President, our bipartisan group decided that we would make a 0.5 percent technical correction in the Consumer Price Index in order to more accurately reflect the cost of living. Mr. President, this will save $125 billion over 7 years. Neither of the other plans have this feature. I believe this is one of the most important parts of the centrist coalition plan. It is a significant long-term entitlement reform that will help to get us off the unsustainable fiscal course we are on.

I say to my colleagues, if we cannot make this kind of technical correction, which has been supported by Alan Greenspan—he said the overstatement of the cost of living by the Consumer Price Index is most likely 1 percent, and Alice Rivlin in her book of deficit

reduction options that she put out indicated the overstatement may be from 0.4 percent to 1.5 percent. As I stated previously, a bipartisan group of economists, led by Michael Boskin, former chairman of the Economic Advisers under President Bush, recommended the overstatement is from 0.7 percent to as much as 2 percent. Our group has said that we ought to at least make a change of 0.5 percent and save $125 billion.

On the question of tax cuts, we do have a tax cut in the centrist plan. Not all of us thought it was the better part of wisdom. Mr. President, the view prevailed in our group that there ought to be a tax reduction. I personally believe that we ought to balance the unified budget first. I mean, I have been here 9 years. I have heard over and over the swan song that we have a plan that is going to reduce the deficit, and over and over the deficit has gone up. It has not gone down. Only after the 1993 plan that we on this side supported, did we actually see the deficit go down both in dollar terms and measured in terms of our gross domestic product.

Mr. President, over and over before that we were told there were plans that were going to reduce the deficit. They did not. They failed. My own judgment is we that ought to prove that we are balancing the budget and getting the job done before there is a tax reduction. But that was not the view of the centrist group. The consensus was there ought to be a tax reduction.

So in our group there is a net tax reduction of $105 billion over 7 years. That compares to the Republican plan of $151 billion over 7 years and President Clinton's plan, which is roughly a wash over a 7-year period, if you extend the first 6 years' policy.

Mr. President, we will have a lot more to say about the centrist plan later tonight. I feel deeply that the greatest challenge facing this body and facing this country is to stay on the path of deficit reduction. Let us not be distracted by those who say that we cannot cut anything. That is not right. And let us not be distracted by those who say we can cut taxes and we will get more revenue. We heard that swan song before. All it led to was escalating deficits, escalating debt, and a decline in the strength of this country.

I hope deeply that we have the courage to stay on the course of deficit reduction. The only group that on a bipartisan basis has been able to reach agreement is this centrist coalition of 22 Senators—11 Democrats and 11 Republicans. All we have gotten around this town in the last year has been partisanship and gridlock. I suppose, if you were looking at where we are and where we are headed, you would say the greatest likelihood is that, with the course that we will stay on in an election year, that there is a low probability that we will be able to get together and do something even as important as putting together a plan that will allow us to achieve significant deficit reduction over the next 7 years. I hope very much that the conventional wisdom is wrong. I hope very much that somehow out of the partisanship of an election year, we will find the ability and the will to work together to do something which would be great for our country, which is to reduce the deficit, keep us on a path moving toward balance so that we can reduce interest rates, so that we can see this economic revival continue and strengthen, and so that we can look at our children and say honestly that we are helping to secure their economic futures.

Mr. President, nothing could be more clear than that deficit reduction has helped strengthen this economy. That is a course we ought to stay on. That is a commitment that we ought to make to each other, that somehow we find a way to bridge the differences and reach agreement, agreement on a plan to at least give us a unified balance by the year 2003. We can do that. The model is before us. We have a group of Senators who on a bipartisan basis have done it.

Mr. President, let us complete the job. I thank the Chair. I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I inquire of the Chair as to the pending amendment and as to the time remaining on both sides.

The PRESIDING OFFICER. The pending amendment is the Gramm amendment. The sponsor has 35 minutes 45 seconds, and the other side has 8 minutes 54 seconds.

Mr. ASHCROFT. Thank you, Mr. President.

Mr. President, would the Chair please inform me when there are 25 minutes left?

The PRESIDING OFFICER. Yes.

Mr. ASHCROFT. Mr. President, I thank the Senator from North Dakota for acknowledging in his remarks that my particular amendment contained offsets. There was some misunderstanding about that. The Senator from Nebraska indicated that we had been inadequately focused on offsets. The truth of the matter is I would not propose reductions in taxes without reductions in spending. I think that is important.

I want to make a few remarks about the Gramm amendment because I think it is related to the things that ought to concern us the most.

The Gramm amendment talks about relief for individuals who are paying taxes on their Social Security benefits. But what is interesting to me is that the Democratic side of the aisle seems to be so reluctant to grant that relief. There seems to be every reason to say that the relief is appropriate, because when a worker pays his Social Security tax—that is a tax, and the worker, under our current law, has to pay income tax on the money that he uses to pay his Social Security tax. So that is a double tax.

Then, if the individual gets that money back from the Government and, because he is working, he has to pay a tax on that money again, that is a triple tax. The old song ''Sixteen Tons'' said it right. ''If the right one doesn't get you, the left one will.'' But it looks to me like in this instance we say, ''If the right one doesn't get you and the left one misses you, we are going to kick you out of the ballpark.'' It is just simply wrong for us to tax the money first, then to ask people to pay the Social Security tax with what is left over, and then when the person is eligible for the Social Security to tax them a third time.

I do not know why the Democratic side of the aisle would insist on this triple whammy. It is just unreasonable, inappropriate, and counterproductive. It inhibits growth and stifles the enterprise that we want people to continue to have into their later years in life.

Senator GRAMM has cogently outlined his proposal. Senator LOTT spoke clearly in its behalf. Somehow to let people have money that they have already paid tax on twice seems to be an affront to the folk on the other side of the aisle. We need to understand that when people earn money, it is their money, and taxing it once is enough. Taxing it twice is an outrage. Taxing it three times is just totally unacceptable. The triple tax that exists here is something that we ought to abandon and abandon rapidly.

Senators from other side of the aisle have stood to talk about and question the sincerity of people on this side of the aisle as it relates to tax relief. They have said that every time we propose tax relief it increases the deficit.

Well, that is kind of an interesting thing that suggests because we lowered tax rates, somehow there was less money coming into the Government, and because there was less money, we had much, much higher deficits.

Frankly, that misrepresents, misguides, misleads and promotes misunderstanding in the public. They talk about the so-called siren song of lowered tax rates, and they say it always leads to higher deficits. I do not think so.

I quote from an article in the Wall Street Journal. As a matter of fact, these statistics were provided to the Journal by Senator ABRAHAM from the State of Michigan. ''The growth of real tax revenues was 65 percent higher per year in the low tax rate 1980's than in the high tax rate 1990's. From 1982 to 1989, Federal revenues adjusted for inflation expanded by an average of 3.8 percent per year despite a sharp reduction in tax rates.'' So what we had in those years was lower tax rates, but because of the growth in the economy, we had higher revenues for the Government.

Now, that was a formula for growth. It was a formula where individuals could find growth in their own lives. It was a way to have a better economy. It was a way to decrease the deficit. When you have more money coming in, the only way to increase the deficit is to

have sharply increased spending. Conveniently, those on the Democratic side of the aisle in this Chamber never associate the deficit of the 1980's with the sharply increased spending. They want to talk about a reduction in tax rates. They never want to talk about the fact that the tax revenues went up and that their spending went up much, much higher than the revenues. And I do not blame them for their reticence. But the truth is that every time the other side of the aisle talks about deficit reduction, it means more money out of the American working person's pocket. Every time they talk about debt, Americans should grab their wallets, because the only way they see to reduce the federal debt is to increase taxes. They do not see debt reduction by way of curtailing spending, and they certainly do not see it as a means of growth.

I thank the Senator from North Dakota for recognizing that my amendment to stop making people pay income tax on their Social Security tax includes cuts in spending which fully offset any costs. Some speakers on the Democratic side of the aisle literally questioned the sincerity of my proposal. I think that is inappropriate, because I know what it means to operate with fiscal reliability and integrity.

During my time as Governor, I learned what it meant to balance a budget. We balanced every one. We did more than that. We established a cash flow operating reserve with hundreds of millions of dollars, making sure that we always could cover our expenditures in a timely way. In addition to a cash flow operating reserve, we established a rainy day fund for the State so that when troublesome times came, we could have money set aside in advance to accommodate unanticipated expenses. That is not the kind of thing that comes from demagoguery or insincerity. It comes from understanding that if you have the right growth rate and you have the right restraint in spending, good things will happen.

The folks on the other side of the aisle seem to think that it is alright to tax the so-called rich—that it is easy to do and it will not hurt anybody. I think that is a fallacy that ought to be exposed. Taxing the rich usually hurts everybody. They talk about the fact that 98 percent of the tax increase of 1993 was on people who were so-called rich. Well, you know and I know that their definition of rich is different than that of most people.

Not only that, the point is that by having that tax increase, the largest tax increase in the history of the country, they stifled this economy. They put a lid on it.

Although wages were up 1 percent last quarter—listen to this—this is the first time in 5 years that wages have inched ahead of increases in the cost of living.

One quarter out of 5 years we finally had wages get up by 1 percent over the cost-of-living increase, and the Democrats are claiming that their tax increase did not have a negative impact on the economy. I would call that a pretty negative impact. No wonder the people across America feel a wage squeeze. We have a situation where economic stagnation is hurting folks.

The truth of the matter is that workers saw no growth in their income in the first 3 years of the Clinton administration compared to robust annual growth during the Reagan years. I believe that we ought to be growing our economy. We ought to be growing it aggressively.

Here is what the Heritage Foundation said about the 1993 Clinton tax increases. They said, ''The Clinton tax increases robbed every household of $2,100 and cut personal savings by $138 billion.'' When you put a lid on the economy, even with a tax increase which you say threatens only the wealthy, you indeed hurt all of the people.

I would ask that the Chair allot me an additional 3 minutes.

The PRESIDING OFFICER (Mr. FRIST). The Senator may resume.

Mr. ASHCROFT. So I have risen today to say that yes—we should think about reducing the deficit, but let us think about it by way of providing the restraint in spending which accompanies the tax break in my amendment, so that there would be absolutely no increase in the Government's debt burden.

Second, the economic growth effects of my proposal to provide a deduction for Social Security taxes would help us pay off the debt much more quickly. Since we have already offset all of the loss in revenue, the growth in the economy would provide a tremendous opportunity to garner additional revenue from the 500,000 new jobs from the 0.5-percent growth in the gross domestic product, and that would accelerate our ability to pay the debt.

For the Democrats who are loathe to allow people to spend their own money and prefer to have Government do all the spending, this should be a win-win situation. For modest cuts, a 1.8-percent cut in total Federal spending in fiscal year 1997, we give the people an opportunity to create 500,000 new jobs, 10,000 new jobs in every State, to boost gross domestic product by one-half of 1 percent, and to aggravate the deficit not at all. If the economic activity from the surge in jobs and the surge in gross domestic product resulted in the anticipated increase in tax revenues, we would accelerate paying off the debt substantially. Those who have said they have been around here for years and they have heard this song before should talk not about the proposal but should talk about their performance.

Their performance in prior years has been, yes, on occasion to cut taxes, but, no, never on occasion to cut spending. On average, spending went up 1½ times for every one time that taxes were reduced. The truth of the matter is, you cannot overgrow spending and have reductions in taxes and expect the deficit to disappear, but you can combine the therapeutic impacts of spending cuts and tax cuts together to give a one-two punch to the deficit.

It is time for us to say that the proposal to reduce the tax burden on working Americans by providing a deduction for Social Security taxes is a responsible one. There are offsets. It is not a set of offsets that are imposed only in the outyears. They begin large and they stay large, because this is substantial tax relief to the American people. It is not a budget buster, it is a budget booster, because the growth in the economy will help all American families. The average American family with two working adults will benefit by $1,770. For those Members of the opposition who would be interested in a responsible tax cut, I invite them to confer with me, because this is one that can be done and will work.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, am I correct in that the Gramm amendment is the amendment before the body at this time?

The PRESIDING OFFICER. That is correct.

Mr. EXON. Following my remarks, which will be brief, I ask unanimous consent, since it will be this side of the aisle that will be up for the next amendment, that following my remarks, the amendment offered by the Senator from Texas be temporarily set aside so that the Senator from Iowa can offer an amendment.

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

Mr. EXON. Mr. President, I have been listening with keen interest and appreciation to my colleague from Missouri with regard to his amendment. I will simply say to the Senator from Missouri that as him, I was the Governor of Nebraska. I will simply say that everything that the Senator from Missouri took credit for during his tenure as the distinguished Governor of a neighboring State follows almost exactly the record of this Senator as a Democratic Governor of the great State of Nebraska.

So I think, as far as our background credentials are concerned with regard to fiscal sanity, we are generally parallel.

I simply say that I am opposed to the amendment offered by the Senator from Missouri for the reasons that I stated previously. We still do not know the details of where the offsets would come from to make up for the big, huge tax decrease that is being suggested.

I believe that, while they are not spelled out in the detail that we would anticipate, by and large, most of the cuts that are being proposed, without specifics from the Senator from Missouri, will fall into discretionary spending. As has been pointed out by the excellent address to the body by the Senator from North Dakota a few

moments ago, those particular discretionary spending items are the ones that already have been dramatically reduced.

I was particularly struck, though, by statements from the Senator from Missouri with regard to what has happened to the economy. The Senator from Missouri indicated that the economy had been stifled—I believe that was the word, or something akin to it—that the economy of the United States of America had been stifled as a result of the 1993 action which, I will point out again, was not supported by a single Republican in the House of Representatives or a single Republican in the U.S. Senate.

If the economy was stifled as a result of that action, right or wrong, then we should do a whole lot more stifling because, by and large, the economy of the United States has grown at an adequate rate, the stock market has reached the highest record in history during this stifled period, unemployment has gone down, and the confidence of the American public has gone up. In reality, we have 8.5 million new jobs as a result of that stifling that the Senator from Missouri cites. We have a faster growth rate than any other comparable industrialized nation in the world.

In bringing up the 1993 budget that was authored and suggested by the President of the United States, the people on the other side of the aisle are continuing to bring up statements that simply are not accurate. Calling the economy of the United States stifled since 1993 is something that no one—no one—can justify or believe if one looks at the record.

I indicated earlier that I was doing a little bit of research on what some of the Republicans said about that budget when it was enacted in 1993. Evidently, they are trying the same tomfoolery on the U.S. Senate with a debate on this matter that has nothing to do with 1993, but evidently they think it is a good political thing to do. They were way off base with all of their pronouncements, with all of their arguments at that time, and I think they are just compounding their errors and their illogical prognostications here today. As I remember it, the Vice President of the United States had to cast the deciding vote in the Senate.

I will simply cite here—I will not mention names because names are not particularly important—but certainly one of the most prominent leaders in the U.S. Senate from that side of the aisle said on page S4169, March 13, 1993:

> Four years from now, we are going to have a deficit of about $400 billion and the economy is going to be on its back.

Well, it is not quite 4 years, but close to it and no one can say that the Senator's statement was accurate.

Another leader on the Republican side of the aisle said in a similar regard on page S4170, March 31, 1993:

> This is an invitation to continued recession and slow growth, because business cannot create jobs with this kind of a new burden.

And then another Republican, one of my really good friends, said on page S3109 on March 18, 1993 about the 1993 bill:

> I think it may be the most recessionary ''deficit reduction package'' in history.

There are a litany of those kinds of statements that were totally wrong, inaccurate. Though I say that I suspect many of us have said totally inaccurate and untrue things, I do not for a moment question the sincerity of the Members that I have just quoted from on that side of the aisle. But I think it is clear that their predictions of things to come if that 1993 act was enacted into law would be a disaster—they may have been sincere in that belief at the time, but I think the record clearly indicates that they were wrong. Their predictions were way off base, and they were inaccurate.

I think basically the same thing, therefore, would follow with regard to their continued speeches and amendments attacking that 1993 act. I will match the record of the last 4 years with regard to the economy of the United States of America against the previous 4 years on any economic indicator—jobs, growth, deficit, you name it.

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. EXON. I thank the Chair. I was about to yield the floor. I hope, with regard to the previous agreement, the Senator from Iowa will be recognized.

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

Mr. HARKIN. I thank the Chair.

AMENDMENT NO. 4011

(Purpose: To provide that the first reconciliation bill not include Medicaid reform, focusing mainly on Welfare reform by shifting Medicaid changes from the first to the second reconciliation bill)

Mr. HARKIN. Mr. President, I have an amendment I send to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

> The Senator from Iowa [Mr. HARKIN], for himself, Mr. BIDEN, Mr. BRYAN and Mr. DORGAN, proposes an amendment numbered 4011.

Mr. HARKIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

> On page 46, line 12, decrease the amount by $72,000,000,000.
>
> On page 49, line 17, increase the amount by $1,900,000,000.
>
> On page 49, line 18, increase the amount by $72,000,000,000.

Mr. HARKIN. Mr. President, I send this amendment on behalf of myself, Mr. BIDEN, Mr. BRYAN, and Mr. DORGAN. This is the first of two amendments which I will offer. I will try not to take too much of the Senate's time. I just want to explain them briefly, what they do.

First, this amendment which I just sent to the desk, Mr. President, is very simple and very straightforward. It takes the first reconciliation bill, which is supposed to have both welfare and Medicaid together in it, and divides it. So what my amendment would do is, welfare reform and welfare would still be in the first reconciliation bill, but Medicaid would become a part of the second reconciliation bill, the one concerned with all of the other entitlement changes.

Mr. President, I believe there is overwhelming support in this body and in this country for tough, commonsense welfare reform. The Senate passed such a bill by a vote of 87 to 12 last year. The President has repeatedly said he would sign such a plan, and even leaders in the other body said the bill should be passed.

Unfortunately, the Senate-passed measure was changed in conference in ways that were unacceptable to the President and to many Senators. So it is time to get back on track. Our country's welfare system is broken. It is wasting tax dollars and it is wasting human lives.

Our present welfare system is unfair, unfair to the taxpayers and unfair to the people on welfare. It is time to make welfare work for America. In my own State of Iowa, we have a commonsense welfare reform that is working and getting results. It was done, I might add, in a bipartisan, well-crafted manner.

In the late 1980's, we had experiments around Iowa on the best ways of delivering welfare, getting people off of welfare, that was incorporated into a bill that passed the Iowa Legislature in 1993. So we have had it in existence now for 3 years. Quite frankly, in that short span of time that it has been in effect—not quite 3 years; a little over 2 years—taxpayers have saved money, about one-third of those on welfare are now working, and fewer families are on the welfare rolls.

I just have some charts here to illustrate what has happened in Iowa with the Iowa welfare reform program. It came into existence in the last of September of 1993—so the first of October 1993. At that time, we had about 18 percent of the people on welfare working. As of March of this year, we had almost 33 percent working, almost a third of those on welfare now working. You can see the trend line has been up.

If I am not mistaken, I believe Iowa now has the distinction of having a higher percentage of people on welfare working than any State in the Nation. I believe that is right. That is because of this very commonsense welfare reform proposal that we passed. So that is the number working, and the trend line is still going up.

Here is the caseload that we have from September of 1993, when we had 36,404. We had a big bump up when we made the changes. Everyone knew that was going to happen. But since that time the trend has been constantly

down. We now have 33,320. So the trend line has been down. So we are successfully getting people off of the welfare rolls and into self-sufficiency.

The third chart shows exactly what we are talking about in terms of expenditures. The green line is the expenditures on welfare in Iowa for 1992 to 1993, the year prior to the new plan going into effect. You can see we spent a total of $13.6 million that month. This is the last year; this is from April of 1995 through April of 1996. As you can see, there was $12.5 million, down to a little over $11 million. Just in the 2 years it has been in existence, we have gone from $13.6 million down to $11.1 million.

So we have fewer people on welfare. We have more people working. We are expending less money on welfare. So by any yardstick of measurement, the Iowa program is working. Again, I think that one of the key ingredients is that it puts common sense ahead of ideology. It is built on good ideas that work, and it is founded on the driving goal of achieving self-sufficiency, not just getting people into a job, but getting people to achieve self-sufficiency.

I might add, it was done in a bipartisan manner. It passed the Iowa Legislature by a huge bipartisan vote, signed into law by the Governor. It is working. I believe this is the way we ought to approach welfare reform, in a nonideological, bipartisan fashion.

But I think, again, the budget before us lumps welfare reform in with Medicaid reform. Quite frankly, Medicaid reform proposals are far more controversial. If they are added to welfare reform, it will be almost certainly what has been called a ''poison pill'' that would result in a Presidential veto.

Mr. President, I want to make it clear, my amendment does not endorse the Medicaid cuts proposed in the pending measure. It simply shifts the sums assumed in the resolution to the second budget reconciliation bill which can be reached in a wide variety of ways or not reached at all.

The reality is, there is little chance of enacting a bipartisan package on Medicaid at this present time. But there is a good chance of enacting a bipartisan bill on welfare reform. Why do I say that? Because we have already done it. We did it last fall by a vote of 87–12. It had overwhelming bipartisan support.

So let us not kill commonsense welfare reform. Let us not walk away from the common ground in favor of scoring political points. That I believe would be a tragic mistake. So this amendment says, let us put aside ideology, let us work together to give the American people what they want and what we can achieve, and that is genuine, balanced, and fair welfare reform. That is what our amendment is designed to do, to make sure that we address welfare reform separate and apart from Medicaid reform and divide those issues up in the two reconciliation bills that we will have in front of us.

Mr. President, I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. HARKIN. For the purpose of offering an amendment I ask unanimous consent that the pending amendment be temporarily laid aside.

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

AMENDMENT NO. 4012

(Purpose: To restore funding for education, training, and health programs to a Congressional Budget Office freeze level for fiscal year 1997 through an across-the-board reduction in Federal administrative costs)

Mr. HARKIN. Mr. President, I send an amendment to the desk on behalf of Mr. SPECTER.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] for Mr. SPECTER, for himself, Mr. HARKIN, Mr. HATFIELD, Mr. JEFFORDS, and Mr. PELL, proposes an amendment numbered 4012.

Mr. HARKIN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The amendment is as follows:

On page 25, line 17, increase the amount by $1,200,000,000.

On page 25, line 18, increase the amount by $1,200,000,000.

On page 27, line 16, increase the amount by $1,500,000,000.

On page 27, line 17, increase the amount by $1,500,000,000.

On page 42, line 2, decrease the amount by $2,700,000,000.

On page 42, line 3, decrease the amount by $2,700,000,000.

On page 52, line 11, decrease the amount by $1,400,000,000.

On page 52, line 12, decrease the amount by $1,400,000,000.

On page 52, line 14, increase the amount by $1,400,000,000.

On page 52, line 15, increase the amount by $1,400,000,000.

Mr. EXON. Mr. President, I wonder if the Senator would yield before he goes into the second amendment? I have a very brief statement that I want to make in support of the first Harkin amendment. From what I know of the second amendment I might not be in support of it. I do not wish to confuse the Senator or the Senate as to what the intentions are of the Senator from Nebraska.

Mr. HARKIN. I yield such time as the Senator desires.

AMENDMENT NO. 4011

Mr. EXON. Mr. President, the Harkin amendment reveals the truth about the Republican strategy, it seems to me, better than anything else. If this amendment is rejected, it will prove that they are not serious about enacting bipartisan welfare reform this year, legislation that I think is a must. Unlike welfare reform there has not yet been a broad bipartisan agreement on specific Medicaid legislation. This is because the Republicans have not backed down from their proposal to block grant this program.

While Democrats and Republicans are closer to agreement on the level of Medicaid savings, we remain quite far apart, Mr. President, on how to achieve those savings. Democrats will not agree to end guaranteed coverage for children, pregnant women, elderly, and disabled Americans. Yet the Republican proposal gives no sign of maintaining those vital guarantees.

Nor are any details provided to support their claim that this proposal reflects the National Governors' Association plan. Democrats are justifiably skeptical that States would be protected from economic fluctuations, changing demographics, and natural disasters, a key element of the Governors' plan under a Medicaid block grant. Therein lies the problem. If our Republican colleagues are serious, they would agree to enact bipartisan welfare reform first and then work to achieve a balanced budget that restrains Medicaid spending. This amendment would make that course possible. I appreciate it being offered by my colleague from the neighboring State of Iowa.

I yield back any of the time yielded to me.

Mr. HARKIN. Mr. President, I thank my colleague and friend from Nebraska, the ranking member of the Budget Committee, for his kind words and insight into this amendment. I think, again, he hit the mark correctly, that if we are really interested in passing a bipartisan welfare reform bill this is the only way we are ever going to be able to do it. I hope we can get good support for this amendment on both sides of the aisle and get about the business of passing a good, strong, welfare reform bill this year in a bipartisan manner.

AMENDMENT NO. 4012

Mr. President, my second amendment has to do with education and health funding. The budget resolution goes about balancing the budget in all the wrong ways by undoing the modest good that was done less than a month ago when the Congress finally passed an appropriations bill for fiscal year 1996 that the President could sign. The Senate voted 88 to 11 to approve that bipartisan compromise bill, about as close to a consensus as we ever get around here.

It is incredible to me that we find ourselves debating a budget resolution that undoes that deal that we had just a month ago. I hear a lot of talk from the other side they provide increases in education. Make sure you look beyond the blue smoke and the mirrors because it simply is not true. As this chart shows, the resolution before the Senate provides about $36.3 billion for education and job training programs. That is about a $1.2 billion decrease from what CBO estimated it needed to

freeze funding for those programs in fiscal year 1997. The resolution also provides for $21.6 billion, or $1.5 billion below a CBO freeze for health programs.

Here are the figures. The 1996 omnibus continuing resolution that we passed, 88 Senators voted for it, contained $36.2 billion for education. CBO—not OMB, CBO—estimates that just to meet this requirement for next year would require $37.4 billion. The budget resolution before the Senate only provides for $36.3 billion, for an actual cut of $1.178 or almost $1.2 billion in education. The same is true in the health care on the omnibus continuing resolution that we passed by 88 votes. There is $23.2 billion. CBO says just to freeze that would require $23.2 billion. The budget resolution provides for $21.6 billion, for a $1.5 billion cut there.

I am pleased to offer this amendment on behalf of Senator SPECTER who, because of other pending matters, could not be here today or else he would have offered the amendment. I am offering it on his behalf, but I am proud to be a cosponsor, along with a number of other Senators.

This amendment would simply restore the $2.7 billion for education, job training, and health programs to the freeze levels, just to the freeze level. For example, the CBO freeze does not restore title I to its normal appropriations cycle which would require an additional $1.3 billion in fiscal year 1997 on top of the $1.2 billion.

The offset is also simple. It cuts a little more than one-half of 1 percent across the board from all of defense and nondefense administrative expenses. This reduction would be taken only from administrative personnel services and contractual services.

Mr. President, during the last year, students, parents, teachers, school boards, school administrators, were treated to a roller coaster ride because of great uncertainties caused by the Federal budget process. Let us not repeat that mistake again this year. The American people are sick and tired of the partisan bickering and want us to get on with the business of governing.

We started last year with proposals for deep cuts in student loans. The House planned to cut $18 billion; the resolution offered by the Budget Committee called for cuts of $14 billion. We finally adopted a bipartisan amendment in the Senate which reduced the cut to $4 billion. Students and their parents were not thrilled but saw this at least as a significant improvement. Then the resolution went to conference and the cut was $10 billion. So, students and parents really started worrying again. The Senate once again moderated the cuts and people said, ''OK, this is good.'' The House did not, the concern intensified again.

The final deal drastically cut the successful direct lending program including cuts of $5 billion. This bill was rightfully vetoed.

That was followed by the ups and downs of negotiations on the fiscal year 1996 appropriations bill. The Government shut down twice. For 7 months, the Federal Government was directionless because of short-term continuing resolutions instead of annual appropriations.

Parents worried that their children would not get the reading and math assistance they need because title I funding was cut by 7 percent. Teachers worried about whether or not they would have a job next year. School boards and administrators were unable to plan for the upcoming year because they did not know what their budget would be. In short, chaos reigned.

We should promise the American people that we will never do that again. Passing this amendment would be a good place to start. I do not believe that this takes us fully where we need to go, but it is a start. As I said, we are going to need more money than just this simple freeze to meet the increasing needs that we have out there. Especially for title I programs in this country, we are going to need some additional money in fiscal year 1997. But both Senator SPECTER and I, and others, felt that at least with the budget resolution we ought not to be starting in the hole, that we ought to, at least with this budget resolution, start where the freeze was from last year.

I can only say that this Senator will support efforts by others to get it above the freeze from last year because I think the need is there for education and job training money. But if we start from a position of where we are $1.2 billion already in the hole in education and job training, or $1.5 billion in the hole on health, then it is going to make it that much harder to get above a freeze later on.

So, again, this amendment is designed to put us in the same position as we were just a month ago, when 88 Senators voted to approve the Specter amendment and send this bill on, which increased the funding up to this level, as I said, in the fiscal 1996 omnibus continuing resolution. This would provide for us to get to the freeze level. Beyond that, I am hopeful that we will be able to add more money for education and job training, especially in the area of title I.

With that, I yield the floor.

Mr. SPECTER. Mr. President, the subcommittee which I chair addresses a wide array of programs—from the educational needs of children, the training and retraining of this nation's work force, to confronting the problem of teen pregnancy, AIDS, and the causes and cures of disease Collectively, the programs in the Labor, Health and Human Services, and Education bill address many of the present needs of this nation's people and are investments in our future.

Because of the wide array of funding needs contained in the Labor-HHS-Education appropriations and given our tight budget situation, it has become exceedingly difficult to craft a bill that addresses all of these needs. The amendment which I offer today adds a total of $2.7 billion to levels in the resolution for education, training, and social services programs in function 500, and to health activities in function 550. This increase will bring funding in these functions to freeze levels as estimated by the Congressional Budget Office and will help in funding the education, job training and health programs under my subcommittee's jurisdiction.

Just last month, the Senate voted 88–11 to approve a compromise amendment offered by Senator HARKIN and myself to the Labor, HHS, Education appropriations for fiscal year 1996. That compromise is what it took to break loose the stalemate on fiscal year 1996 funding for Labor, HHS and Education programs and to get a bill through the Congress. Without the amendment I am offering today, I think that we could see a repeat of last year's long and disruptive appropriations process, and that would be an embarrassment that this body ought not let occur again. The fiscal year 1996 bill required an additional $2.7 billion, and I believe that we will again need this amount to get the bill through fiscal year 1997.

The increase in the amendment applies only to fiscal year 1997 and does not increase spending in the outyears. The amendment is offset by an across-the-board cut of a little more than one-half of 1-percent from all executive branch administrative expenses. That is, administrative and personnel services and contractual services on a pro-rata basis from funds available to every Federal agency, department, and office in the executive branch, including the Office of the President.

The resolution before the Senate provides $36.3 billion for education and employment and training programs, a decrease of $1.2 billion below what CBO has estimated to freeze these programs in fiscal year 1997. The resolution also provides $21.6 billion or $1.5 billion below a freeze for health programs. This amendment simply restores funding for education, job training and health programs to a very modest freeze level.

Even at a freeze level, the Labor-HHS-Education subcommittee will be faced with the formidable task of maintaining our commitment to the core education programs, including Pell grants, campus-based aid, title I, and head start.

For employment and training programs, an additional $67 million is needed in fiscal year 1997 just to cover the operational cost increases resulting from opening four new Job Corps centers. Without passage of this amendment, the subcommittee will be forced either to not fund the operation of these new centers or further reduce services in other training programs for this nation's workforce at a time of heightened anxiety over economic security.

Last week was Brain Awareness Week and many of my colleagues visited with researchers and advocates urging the Congress to expand support for research on the brain. Others, attended the Wednesday's May 15 press conference with actor Christopher Reeve of ''Superman'' fame in which he appealed for increased funding for spinal cord injury research. Still others, have met with constituents urging us to expand funding for research on cancer, heart disease, AIDS, diabetes, and Alzheimer's disease. Without this amendment, we will be unable to maintain level support for critical health care priorities, jeopardizing funding for the National Institutes of Health, for community and migrant health centers, for breast and cervical cancer prevention, and for childhood immunizations.

I, therefore, urge my colleagues once again to join Senator HARKIN and me in supporting this $2.7 billion amendment.

Mr. JEFFORDS. Mr. President, the fiscal year 1997 budget resolution deserves accolades for its goal of achieving a balanced budget by the year 2002. I support this worthy ambition, yet I cannot fully support the manner in which it achieves this result.

Unfortunately, the resolution before us today requires education to shoulder an unhealthy portion of discretionary cuts in order to achieve a balanced budget. As I have said countless times in the past, cutting education spending may—on paper—help balance the budget. In reality, however, cuts in education do the exact opposite. Decreases in education spending gut already scarce dollars for programs designed to raise the standard of living, provide better jobs and training, and consequently increase our tax base resulting in more revenue to fill the Federal coffers. Let us not be shortsighted and limit the most critical investment we can make toward a future downpayment on our debt.

For these reasons I support the amendment offered by my colleague from Pennsylvania to restore funding for education discretionary spending. My colleagues may argue that we are not cutting education funding but simply limiting its growth. It is true that this resolution provides an increase of $1 billion in fiscal year 1997 over last year's allotment. I will concede that this does not constitute a decrease in the strict sense of the word. However, it clarly is a decrease when taking inflationary costs into account. In fact, CBO has indicated that it represents a decrease in outlays of approximately $1.7 billion in the first year alone.

The foundation of Federal education leadership is built on keeping promises to our young children at risk; creating greater access to higher education for all; and guiding the country to help keep our children's education at a standard that is competitive with the rest of the world's. We cannot possibly keep this promise if, as this resolution proposes, we decrease education discretionary spending by close to $2 billion in fiscal year 1997 alone.

Public awareness of our need to reform education is growing. Polls show that the public is coming to understand the enormous costs of the failure to educate our children. Eighty-six percent of those surveyed by the recent PBS/National Issues Convention felt that we are spending too little money on education and training.

However, we continue to ignore the clear desires of our constituents. During last year's budget debate we essentially went through the same routine. The fiscal year 1996 resolution also cut education discretionary spending but a successful floor amendment, offered by my colleague from Maine, restored funding for education programs. Americans understand intuitively that investing in education is the key to our future success, and the best possible national investment that we can make as a country. When the rest of the country gets it and we do not, I sometimes wonder who really needs the education.

Support of the Specter amendment is truly critical. Countless studies document that American children are not keeping peace with their international counterparts. Well publicized reports continue to show that in math and science we have not kept pace with our foreign counterparts. In a recent study, American students came in last, behind Slovenia.

More astonishing, reports indicate that 50 percent of those who graduated from high school in recent years graduated functionally illiterate. The basic problem is reading comprehension. Keep in mind also that nationally, up to 30 percent of our ninth graders eventually drop out of school altogether. This is totally unacceptable. How can our businesses be expected to compete when they are delivered potential workers of this quality?

Money is not the solution, by any means, to the trouble our society faces. However, when programs, specifically designed to address educationally disadvantaged students in reading and writing, only serve a fraction of the eligible population we do those children and our country a disservice. When programs designed to prevent dropout barely keep pace with inflation yet dropout percentages boom, we know that more funding is critical. When governors and high powered CEO's come together—on their own time and money—to speak about education needs, you know that indeed education is of such national significance that it can no longer be pushed aside as the stepchild of Federal public policy.

And while money may not be a panacea it does make a difference. What have we done when we needed to highlight a major problem or national priority? We committed the resources necessary to match our goals. Take for example the space program during our race to the Moon with the Russians, we did not decrease funding in order to beat our competition, we increased it considerable and the dividends paid off. We are in no less of a crisis today with our education situation than we were with Sputnik—now is the time to take action.

The Specter amendment achieves, the very basic first step—level funding for education in this year's budget. We cannot, in good conscience do anything less. I urge my colleagues to support this amendment.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I ask the Senator from New Mexico if I might have about 3 minutes of the time.

Mr. DOMENICI. Of course. I yield it off the resolution.

Mr. KYL. Mr. President, I ask unanimous consent that I be allowed to proceed on the Gramm amendment. I am not asking to lay the current amendment aside but that I may proceed to discuss that amendment.

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

AMENDMENT NO. 4009

Mr. KYL. Mr. President, I do that in order to strongly support the amendment of the Senator from Texas calling for the repeal of the Clinton tax increase on Social Security benefits. He spoke of this about an hour ago. It is a measure that I had offered in the House of Representatives within hours of the time, on August 6, 1993, that the Social Security tax increase cleared the Senate. I had offered the bill there to repeal it. I also supported Senator LOTT's bill to repeal the tax, which he called the Senior Citizens Tax Fairness Act. And I am very pleased to stand in support of the amendment of the Senator from Texas to do the same.

This is the tax increase that President Clinton pushed through the Congress in 1993 to impose higher taxes on seniors with incomes of only $34,000 a year and couples with annual incomes of $44,000 a year. The Clinton administration talked about taxing the rich, but we did not believe that couples making $44,000, or individuals making $34,000 a year, should be considered rich. As a result of the Clinton tax increase, 85 percent of these people's Social Security benefits are now subject to tax. That represents an effective tax increase of 70 percent over prior law.

The CBO estimated that, in 1994, 9.5 million Social Security beneficiaries were hit by the Clinton tax increase. That is a figure, of course, that will rise every year—to roughly 13.5 million in 1998, and much more each year thereafter—because the tax is not indexed for inflation.

It was very clever the way the President crafted the proposal, letting inflation do the dirty work of continuing to raise taxes long after the bill was signed into law in 1993.

Repealing the Clinton tax on Social Security will put over $55 million back into the pockets of retired Arizonans

every year, and nearly $3.7 billion into the pockets of seniors nationwide. If we really care whether seniors have enough resources to pay for adequate health care, to put food on the table, or pay heating and air conditioning bills, we ought to support the amendment of the Senator from Texas.

Whether or not this amendment is supported, I think, comes down to a question of who we trust, Mr. President. Who do we trust more to spend the money wisely, the people that worked hard an entire lifetime to try to ensure themselves a secure retirement, or Government bureaucrats in Washington? I put my faith in people to use their own money to provide for themselves and their families.

It is important to emphasize that the Clinton tax increase applies to individuals with incomes of only $34,000 a year. I do not think that is a definition of a wealthy person. Yet, that is who pays the bill. I think, by now, most people realize that Clinton's talk of taxing only the ''rich'' is just an excuse to raise taxes on everybody. He raised taxes on seniors making $34,000 a year. He raised the gas tax, which hits the poorest Americans hardest of all.

I note, parenthetically, Mr. President, that according to the Bureau of Labor Statistics, in 1987, the poorest 20 percent of Americans devoted 8.8 percent of their expenditures to gasoline and motor oil, while the wealthiest 20 percent devoted only 3.1 percent of their expenditures to such things. So the gas tax, like the Social Security tax, hits those who are not the most wealthy in our country.

I predict that we are going to repeal the Clinton gas tax and the tax on Social Security benefits. Neither is defensible. The Gramm amendment that is before us today will put Senators on record about whether they favor the repeal of the tax increase on seniors, and whether we put our trust in older Americans or whether we put our trust in bureaucrats.

I commend Senator GRAMM from Texas for raising this amendment. I hope we all support it. I thank the other Senator from Texas, Senator HUTCHISON, for standing aside and letting me take this time.

Mr. President, I earlier posited two amendments—3995 and 3996. In that order, I ask for the yeas and nays on those two amendments.

The PRESIDING OFFICER. Is there objection for it to be in order to request the yeas and nays at this time?

Mr. DOMENICI. We need to have a Member of the minority party present.

Mr. KYL. If there is no one present, I will defer until then.

Mr. DOMENICI. Why do we not let the Senator from Texas go.

Mr. KYL. I will defer until then.

Mr. DOMENICI. Is Senator HUTCHISON going to speak to the IRA amendment?

Mrs. HUTCHISON. Yes.

Mr. DOMENICI. That has been adopted by voice, right?

Mrs. HUTCHISON. It was my understanding that the two managers would put it in at the appropriate time.

Mr. DOMENICI. We agreed to it on Friday. The Senator is assured of that sense of the Senate for this bill. I am hopeful that any tax bill we do includes that. She knows of my high regard for that amendment and for her leadership on it. If the Senator cares to speak to it, it would be appropriate at this point.

Mrs. HUTCHISON. I would appreciate the opportunity to explain what we have done for the homemakers of America.

Mr. DOMENICI. How much time?

Mrs. HUTCHISON. Up to 5 minutes.

Mr. DOMENICI. I yield up to 10 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 4006

Mrs. HUTCHISON. I want to say how much I appreciate what Senator DOMENICI has done, with the acquiescence of Senator EXON. Clearly, this is a bipartisan issue, and it is something that will really make a difference for the homemakers and the one-income earner couples in America. In fact, it makes them equal with every person who works outside the home. Now people who work inside the home will have the same opportunity for retirement security.

Senator BARBARA MIKULSKI and I cosponsored the homemaker IRA bill in 1993. It was included in the balanced budget that was passed by Congress and sent to the President last year. But it was vetoed, so we are coming back this year in the balanced budget resolution and saying this is a priority. This amendment is adopted. It is in the bill. It will be a priority, and here is what it does. It says that, if you work inside the home, you are now only able to set aside $250 for your retirement security, whereas, if you work outside the home, you are able to set aside $2,000 a year for your retirement security. So this has created a real hardship on a one-income-earner family or on a homemaker who may lose his or her spouse in the future. Our bill says, if you work inside the home, you can set aside $2,000 a year just as if you worked outside the home. This allows the one-income-earner couple that may be sacrificing for the homemaker to stay home and raise the children to have the same retirement benefits and options as if the spouse had worked outside the home.

What it does for the homemaker who may lose her spouse in later years is to have in her own name, her own retirement account, her IRA just as if she had worked outside the home all these years. This, Mr. President, just makes everybody in this country equal if they work inside the home or outside the home. They will be able to set aside that $2,000 a year for their retirement security.

What difference does it make? It makes a big difference. A lot of people do not take advantage right now of the $2,000 that they can set aside that will earn interest tax free so that at the end of their working lives they will have a nest egg. The conservative estimates, if you just think of a 6-percent return, would be that a one-income-earner couple now would be able to set aside enough to build, over a 30-year working life, almost $200,000 for a nest egg. But if you allowed the homemaker to contribute equally, it would go up to about $335,000, so almost $350,000. If you do better than 6 percent in your investment, of course, it would be more than that. A $335,000 nest egg is a lot for a family that has just to set aside $4,000 a year. For an individual to set aside $2,000 a year, you can get into the $200,000 to the $250,000 range in your retirement nest egg. That can help a lot. When you have Social Security, which is a supplement, and then you have an IRA, if you have set aside that $2,000 a year, you can have an income that you will be able to live on.

This is what we should be encouraging in our country. We should be encouraging savings. Every statistic you see says that our country has the lowest savings rate of any industrialized nation in the world. That is really a shame. We ought to encourage savings, and this is the way we can do it.

So what we have done by having this amendment adopted by Senator DOMENICI and Senator EXON is we have said that this will be a priority. When all of the Washington mumbo jumbo ends and we have had our House bill and our Senate bill and our conference committee, what we are saying is in the end when we reconcile all these differences and all of the things that we have passed, that the high priority will be for equity for the homemakers of our country for their retirement security.

Mr. President, it is a win for everyone. It is a win for the homemaker. It is a win for the one-income-earner family. It is a win for America because the more people who have a retirement security, the more people who will be happy, who will be stable, who will not have to worry about looking to the Government for help. This is a very modest investment for us to say these earnings will be tax free through these years to give that stability in retirement to that couple, or that individual that has worked for 30 years and should be able to plan for their own retirement security.

So I am very pleased that we have taken one more step. We have passed this bill once. It was vetoed by the President. Now we are coming back. We are going to pass it again. I hope that we will be able at the end of this year to say we have finally done what we should have done a long time ago in this Congress, and that is acknowledge that the work done inside the home is every bit as important as the work done outside the home and maybe even more so.

So I am pleased that we are doing this once again. We are going to stress how important the homemakers and the family units are in our society. This is the right thing to do.

Mr. President, I want to say that the original cosponsors of our resolution, this amendment, are Senators DOLE, ROBB, FEINSTEIN, and Snowe.

I ask unanimous consent to add Senators HELMS, MURRAY, and MOSELEY-BRAUN, at their request, to be cosponsors of this with Senator MIKULSKI and myself.

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

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that my time be charged to the majority time for the resolution.

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

Mrs. HUTCHISON. Thank you, Mr. President. Once again, I appreciate Senator DOMENICI for realizing what a priority this is and for agreeing to this amendment. I appreciate the Democrats who are also accepting it. This is the right thing for the homemaker and the families of America. I hope that by the end of this year we will be able to declare victory and say that this option is now open for all of the people who work in our country whether the work is inside the home or outside the home.

I thank the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 2 minutes off the resolution.

I just wanted to say to the Senator that a lot of people talk about making our policies more friendly toward families and friendly policies for our Nation. The Senator has talked about it as well as anyone here, but she does something about it. There was a discriminatory situation. It is the denial of IRA's for homemakers.

It seems to me that, on the one hand, we say that is among the most significant work being done in behalf of our families and our Nation, and then, on the other hand, we say, however, if you are out of the household and not a homemaker, you will be able to set up an IRA account for your retirement but not if you are a homemaker. I believe you have hit the nail right on the head. If you want to be profamily, you had better start right here at this level and stop discriminating against these activities of men, women, or children who are doing things that are profamily and make that more difficult.

So I commend the Senator for it. I do not have much to say directly about what the Finance Committee writes. But I think you have a very exciting approach and one that fits the rhetoric of the day to a ''t.'' You are to be commended for it.

Mrs. HUTCHISON. If the Senator will yield, although it will be the Finance Committee that has the final word on this, what the Senator from New Mexico and Senator EXON have done by accepting this amendment is to give clear direction to them with a unanimous vote of the Senate saying this is what we want to be a priority. I do think because of the leadership of the Senator from New Mexico and Senator EXON that we will be able to declare victory at the end of this year. It is a long time coming.

Thank you.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Before the Senator from Texas leaves, I would like to join my colleague, Senator DOMENICI, in complimenting her for moving ahead on family. Family matters are so important. Maybe we cannot do a lot about it directly here, but as the Senator from Texas knows, we accepted her amendment because we thought it was a good one. I thank her for bringing it up.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. I yield the floor.

Mr. DOMENICI. I yield the floor.

Mr. EXON. Mr. President, what is the pending matter before the Senate?

The PRESIDING OFFICER. The pending question is amendment No. 4011, the Harkin amendment.

Mr. EXON. Mr. President, I ask unanimous consent, for the purpose of entertaining amendments that are about to be offered by the Senator from Arkansas, that the Harkin amendment be temporarily set aside.

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

AMENDMENT NO. 4013

(Purpose: To restore common sense to the budget rules by reversing the rule change on the scoring of asset sales)

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. I send an amendment to the desk, Mr. President.

The PRESIDING OFFICER (Mr. KYL). The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. BRADLEY, and Mrs. MURRAY, proposes an amendment numbered 4013.

Mr. BUMPERS. 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:

Add the following new section at the end of Title II:

SEC. . SALE OF GOVERNMENT ASSETS.

(a) BUDGETARY TREATMENT.—For purposes of any concurrent resolution on the budget and the Congressional Budget Act of 1974, no amounts realized from sales of assets shall be scored with respect to the level of budget authority, outlays, or revenues.

(b) DEFINITIONS.—For purposes of this section, the term ''sale of an asset'' shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) TREATMENT OF LOAN ASSETS.—For the purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

Mr. BUMPERS. Mr. President, this amendment deals with a change the Republican majority made to the budget rules last year which permitted the use of revenue from asset sales to be scored against the budget. The last two CBO Directors, Mr. Reischauer and Mr. Penner, have criticized this change to the budget rules as being bad public and fiscal policy.

From 1987 to 1995, we had a firm policy that you could not sell assets and use the revenues derived from those sales to count against the deficit. Nobody quarrels with the occasional selling of an asset. At times it makes perfectly good sense. But when you score the asset sales against the deficit, you have to ask yourself, next year, what do you do for an encore?

When I was Governor, I received a revenue sharing check from the Federal Government for $21 million. I did not put the money in the State operating budget because I knew then, even as a freshman Governor of Arkansas, it was bad policy. I did not have to come to the Senate to find that out.

It was bad policy because if I had put it in the operating budget, revenue sharing could have came to an end the next year, which it did after I came to the Senate. We received revenue sharing for several years and were glad to get it, but it was eventually discontinued. All I could think about was the poor Governors out there who had been using revenue sharing for operations—their share of Medicaid, their educational budget, and when suddenly you find $100 million not coming in next year, what do you do? You raise taxes or reduce services to make up the difference.

And so, in 1987, this body very wisely said: In the future, you cannot sell assets and score the revenue for budgetary purposes. That was the rule we operated under until 1995. All of a sudden, in 1995, the Republicans took control of Congress and began proposing to sell a number of assets, including the Elk Hills Naval Petroleum Reserve; the Federal power marketing administrations, which generate hydroelectric power at Federal dams; the Arctic National Wildlife Refuge; oil from the strategic petroleum reserve, which we have been filling up with oil for almost 15 years now for the rainy day when we might have another Arab oil embargo; and the Uranium Enrichment Corporation. Incidentally, I have no quarrel whatever with selling the Uranium Enrichment Corporation. I was glad that the Federal Government privatized the Corporation, but do not score it against the budget deficit.

Mr. President, not only was there a proposal to sell these assets, but a senior Member of the House of Representatives introduced a bill to appoint a commission—listen to this one, Mr. President—to decide which of the national parks should be sold.

So where are we headed Mr. President? We are going to have a big national yard sale and sell some of our most valued national treasures in an attempt to mask the budget deficit, including some of the national parks.

If you think this is just rhetoric, look at this chart outlining last year's proposal to sell the naval petroleum reserves, the major part of which is the Elk Hills Naval Petroleum Reserve in California. It produces about 63,000 barrels of oil a day. Let me show you what a silly idea the proposed sale is. According to CBO, the sale of the naval petroleum reserves would produce $1.55 billion in revenue. However, over the 7-year budget scoring window we would lose the $2.47 billion in revenue that would have been produced had the Government retained title to the asset. That would result in a net increase in the deficit of $992 million over 7 years. Selling the naval petroleum reserves now in a rush to make it appear that you are going to balance the budget makes absolutely no sense. If we can balance the budget—and God knows, we ought to over the next 6 or 7 years—that is fine. But do not do it by selling off the Nation at a loss.

As the chart demonstrates, the $1 billion loss occurring over the 7-year budget period is just part of the story. If the asset were sold, the Federal Government would continue to forgo approximately $400 million in revenue annually. This would add an additional $12 billion in losses over the approximate 30 year lives of the reserves.

So we are going to sell an asset for $1.55 billion in order to try to balance the budget by the year 2002, and if you consider the 30 subsequent years we lose $12 billion. Bad policy? No; insane policy.

A moment ago I mentioned the power marketing administrations. For the uneducated, the power marketing administrations, or PMAs, market hydroelectric power generated at Federal dams. The Southwestern Power Marketing Administration serves my State, and I do not want it privatized, I do not want it sold, and I am going to do everything I can to keep it from being sold.

Here is why. It is not just because the people of Arkansas use the power; it is because I believe in honest budgeting. This chart is intended to demonstrate the actual impact the sale of a PMA would have on the deficit.

Assume that in 1996 the Federal Government receives $1 billion from the sale of a particular PMA. What do we lose? The first year, 1996, we would lose $100 million in revenue that would have been produced if the PMA stayed in Federal ownership. So what happens? It is true that we get $900 million more in 1996 than we lose. We get $1 billion, we lose $100 million in revenues, and, on its face, the deficit would fall by $900 million.

But look at what happens in the future. In the year 2000, we still have only gotten $1 billion, but we have now lost half of it in revenues foregone. By the year 2002, when we are supposed to balance the budget, we've received $1 billion, but now we have lost $700 million in lost receipts, and the net effect on the deficit is only $300 million. But here is where the proof of the pudding is. Look at the year 2020. We still only got $1 billion in 1996–1997, but in the year 2020, considering the $100 million a year in revenues we have lost, the Federal Treasury is a net loser of $1.5 billion. No wonder Reischauer said it is bad policy. It is crazy policy.

Last year the Senator from Alaska took strong exception to my last two charts which point out that the change in the budget scoring rule could produce crazy proposals such as the sale of Mount Rushmore or the Statue of Liberty. Mount Rushmore is a moneymaker. There is no telling what we might get.

But you know, there is something more important than that. Mount Rushmore is a national symbol. I have been there; you have been there, Mr. President. It is a magnificent thing. They are designing a portrait there out of that stone of an Indian on a horse. I think it is Crazy Horse. It is not finished yet. It is going to be magnificent. But let us say we are going to put Mount Rushmore up for sale. Do not worry about the fact that this honors four truly great Presidents of this Nation that the United States wanted to honor forever. Sell it off.

I do not know what the Republicans in the House have in mind with this bill to sell off natural parks. Maybe they have the Statue of Liberty in mind. Now that would probably bring a lot of money. Is that not magnificent? But you know something? It is no more magnificent than Yellowstone, Yosemite, the White River Wildlife Refuge in my State, or Hot Springs Natural Park in my State, which are near and dear to me.

Let me say to the Senator from Alaska that I do not think these sales are going to happen. I am just giving the worst-case scenario I can think of, and based on some things that have happened around here in the last 2 years, I am not making any promises.

But I can tell you we had it right in 1987 that we would not score assets sales for deficit reduction purposes, for a very good reason: It is bad fiscal policy and it is bad public policy because you have to make it up. If you reduce the deficit $1 billion by selling the PMA's this year, how do you make up that deficit next year to make sure the deficit stays on a downward slide? You have to come up with $1 billion someplace else.

Mr. President, I serve on the Energy Committee. This year the budget resolution instructs the Energy Committee to report legislation that will produce savings of $1.4 billion over 6 years. However, the resolution only directly mentions how the Committee is expected to meet $400 million of the savings. There are only three options available to the committee to meet the additional $1 billion requirement: First, we could sell the PMAs; second, we could impose royalties on hardrock mines; or third, we could allow oil and gas drilling in ANWR. My friend, the senior Senator from Alaska, obviously supports the latter approach.

He and I are good friends. We fight like saber-toothed tigers on the floor, but we are good friends. We just could not disagree more on the Arctic National Wildlife Refuge. Let me just say this: It is my firm belief that the President of the United States will veto any bill that comes to him that allows drilling in ANWR. I will certainly urge him to.

The other two possibilities are political nonstarters. A large number of Senators oppose the sale of the PMA's and the mining industry will again fight tooth or nail against any royalty.

Everybody in this body knows that I have fought for 7 years to reform the 1872 mining law. Sometimes I wake up in the middle of the night and I cannot believe: First, that I have been fighting that battle for 7 years and second, that, because I have not yet won, the Secretary of the Interior continues to be forced to deed valuable public land and minerals for practically nothing. He does not have any choice. He is required to under this 122-year old law.

The Secretary of the Interior, several weeks ago was forced to give a deed to a mining company for 40 acres of public land for the princely sum of $200. What do you think was on the 40 acres that the taxpayers of this Nation got $200 for? Eighty million dollars' worth of gypsum. Two years ago, he deeded land containing 11 billion dollars' worth of gold.

So a third possibility would be to impose a mining fee to produce $1 billion over the next 6 years. But if I am any judge of the makeup of the U.S. Senate, about the only votes for that will be on this side of the aisle. There will be few votes on the other side—maybe five.

You talk about balancing the budget; you talk about wanting a constitutional amendment. Oh, yes, let us go back and tinker with what James Madison did, and John Adams and John Jay and Alexander Hamilton and Ben Franklin. Let us go back and tinker with what they did 206 years ago drafting the Constitution that has made us a great nation, the freest nation on Earth, the longest living democracy, the oldest constitution in the world, tinker with that to bring about a constitutional amendment to balance the budget, but do not disturb those big international mining companies who have been raping and pillaging the U.S. taxpayer since 1872.

I yield the floor, Mr. President.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I thank my good friend for his forbearance. He is, as he says, a good friend

from Arkansas. We have postponed this debate until this afternoon, and that enabled me to return to my home.

May I have some of the Senator's time, by the way?

Mr. DOMENICI. I say to the Senator, we have used no time in opposition. I yield the Senator whatever time he needs, up to 1 hour.

Mr. STEVENS. I thank the Senator.

Mr. BUMPERS. Is it possible for me to yield the Senator from Alaska time under the unanimous-consent agreement?

The PRESIDING OFFICER. The Senator has a right to yield time.

Mr. BUMPERS. I have 2 hours total; is that correct?

The PRESIDING OFFICER. The Senator has 1 hour.

Mr. BUMPERS. One hour for all three amendments?

The PRESIDING OFFICER. The Senator from Arkansas has 36 minutes, 48 seconds remaining on his time on this amendment.

Mr. BUMPERS. Mr. President, parliamentary inquiry. I had the possibility of three amendments, two for sure. I understood that there would be 2 hours, that I could allocate that 2-hour period any way I wanted to in offering those three amendments. Is that correct or not?

Mr. EXON. There would have had to be a unanimous-consent agreement for that. I believe that every amendment that he offered, whether it was 1, 2 or 3 or 10, the Senator would have 1 hour under the control of his time and 1 hour for the opposition. And if there are second-degree amendments, it would be half an hour.

Mr. BUMPERS. Let me ask the Senator this question. Who controls the time in opposition, then?

Mr. EXON. In this particular case, it would be the Senator from New Mexico. The Senator from Arkansas controls that hour for his amendment. The Senator from New Mexico would control an hour against it.

Mr. BUMPERS. The Senator from New Mexico could yield the Senator from Alaska time on this amendment?

Mr. EXON. Certainly.

Mr. DOMENICI. Which I just did. I will do that again. I yield up to 1 hour in opposition for that.

Mr. STEVENS. I thank the Senator very much.

I was saying, due to the forbearance of our friend from Arkansas, I was able to go home to my State. I have just gotten back from Alaska. I was able to go home on Friday. I have been all over my State at various functions, the regional meeting of the Ahtna Native Corporation up in the Gulkana area, down to Homer and Kenai and Fairbanks and Anchorage. I want to report to my friend that one of my constituents asked me about the comments we make here on the floor. He said, ''That fellow from Arkansas certainly can't be your friend, Senator.'' And I told him, ''No, that's not true. He is a friend. We just disagree violently.'' And it is possible to disagree violently and still be friends.

I came in just as the Senator from Arkansas had his shell game card up, talking about the budget shell game. I was reading, as I came back into Washington, a summary that my staff had given me about the budget that President Clinton had submitted. This budget, at first glance, looks like it balances, but it relies upon a trigger that is in the budget that reduces discretionary spending by $67 billion in 2001. In 2002, it does not indicate which programs will be cut, but, miraculously, the President that takes office in 2001 would be asked to cut the discretionary budget by 20 percent.

If you want to talk about a shell game, we ought to talk about shell games. As a matter of fact, if you want to look at the defense portion of the President's budget, you would find that it is a very interesting defense budget. It goes through the year 2000—that is what stuck in my mind as I looked at that—it goes through the year 2000 with a declining amount for defense, and then, miraculously, in 2001–2, the defense budget goes up, so it looks like over that period of time there is a level spending for defense; but that money is there for defense only if that President who is in office in 2001–2 cuts discretionary budgets 20 percent.

I have to tell my friend, the shell game here is that part of the President's budget that provides what he seeks to provide in this period of time if the asset sales that the Senator from Arkansas is talking about cutting out occurs. If the Bumpers amendment is agreed to, that President, after the year 2000, when he takes office in 2001, is going to have to present us with a budget that increases the cut in discretionary spending even more.

Strangely enough, the problem about this is that we voted on this last year. I understand my friend from Arkansas's position, but from my point of view, you know, it is unfortunate that once again we have seen the Statue of Liberty and Mount Rushmore, and the indication is that, somehow or other if we approve this bill, it is possible to sell one of those national treasures. No one is suggesting that in connection with this bill. There is a suggestion in the other body about selling some of the park lands.

And I find some difficulty in addressing the Senator from Arkansas' amendment because what we are talking about is a lot of assets that are out there that do have value now, and the question is not really whether we sell them but whether asset sales should be counted in the budget process.

The President has submitted the request that the budget take into account the receipts from the sale or lease of assets that are owned by the Federal Government. That has not been the case in the past. If it is the case that we take into account the sale or leasing of Federal assets, then we do have an entirely new circumstance, those of us who come from public land States, because there has been a lack of understanding of the value of Federal land to this country. We have some developing attitudes concerning areas such as those controlled by the National Park Service.

Mr. President, I served in the Eisenhower administration in the Department of the Interior and I remember well that President Eisenhower wanted to double the Park Service land areas and create new parks over a period of 10 years from 1956 to 1966. He did. The idea that somehow or another we would be against national parks, those of us who believe in asset sales, does not really ring a bell with me. I do not understand how those charts enter into this debate.

I do understand there is a lot of land that is surplus to the Government's needs. There are many assets that could be used during this period of very tight budgets to raise a considerable amount of money. I remember when other Senators raised similar objections when I first suggested that, instead of having people apply and file a request to lease spectrum from the Federal Communications Commission, we have an auction of those licenses. Some people here laughed about that. It took two Congresses for us to get around to authorizing the FCC to auction spectrum.

As a matter of fact, the first time the Congressional Budget Office looked at it, as I recall, they said the maximum that could be raised was somewhere around $250 million over a period of time if we auction FCC licenses. They did not understand what some of us understand—the developing technology of telecommunication. We have raised over $20 billion so far from the sale of spectrum licenses.

Now, we believe there are substantial portions of public land in the West that are needed and can be used in the economies of those Western States that could, in fact, be leased or sold. One of the assets happens to be the area that was set aside by my good friend, Senator Scoop Jackson in the Alaska National Interest Lands Conservation Act of 1980—1.5 million acres on the arctic plain, specifically set aside for oil and gas exploration and development. The act provided for a special environmental impact statement to make sure the area would not be damaged by exploration. It is an area just east of Prudhoe Bay, the great development of Prudhoe Bay, which incidentally is on State land, Mr. President; it was not on Federal lands. The Federal lands adjacent to Prudhoe Bay are the 1.5 million acres Senator Jackson set aside. We have, since 1981, tried to obtain approval to proceed with the leasing of those lands for oil and gas exploration and development.

The asset sale authorization in this budget resolution could lead to that if the Energy Committee reports a bill and the House approves that bill and the President approves it. Mr. President, President Reagan requested that every year. President Bush requested that every year. It was denied under the former leadership of the House and

Senate. Now, with new management of the House and Senate, we approved last year two bills to authorize the Secretary of Interior to proceed with leasing of that area. The bills were vetoed.

What we are really talking about in this amendment is whether we should use the assets that the people in the United States own now, particularly those in public land States, to derive income, or whether we should drive forward to the day we have to increase taxes. The net result of Senator BUMPERS' position is, do not count asset sales as income for the purpose of trying to balance the budget, which automatically means you have to raise income from somewhere for the Federal Government. The only way to do that is taxes. There is another alternative. You could cut further either defense spending or discretionary spending.

The issue of our arctic plain is just one portion of this debate with the Senator from Arkansas. What we are really talking about is whether the sale or lease of assets should lead to income which should score in the budget process. The budget process is hard for anyone to understand, but there is no question that I do not think there would be anyone outside of the Congress that would disagree with counting as income money actually put into the Treasury. We are talking about balancing the budget. That is really what the heart of the Bumpers amendment is. It gets rid of the scoring process for the sale or lease of assets that belong to the Federal Government, which process enables us to count that money and tell the American public that income will, in fact, be counted toward balancing the budget.

The benefits to the taxpayers are exactly the same as from the revenues that came from the sale of the spectrum by the FCC. That is a sale of an asset that belongs to the public. We changed the method of leasing. Prior to my concept of auctioning spectrum, people filed no lease—really, a permit—to use spectrum. They just paid an annual fee. Now they pay substantial amounts of money for the privilege of obtaining that permit. That is what comes from a competitive lease of oil and gas potential on Federal lands. Exactly the same thing.

Today the law does not count the money you get from the leasing of Federal lands for oil and gas but it does count the income you get from spectrum. I hope the Senator understands this. If money comes into the Treasury, it makes sense we record it as money received for the purpose of balancing the budget.

The Senator from Arkansas fears once we discover the amount of money you can get from that, from development on Federal lands, we will go wild and we will start sending the message that we should sell the national parks. Nothing is further from the truth. What we should recognize, though, is that we should not keep putting our head in the sand and say there is no money coming into the Treasury, when, in fact, there is. The asset sales ought to be recorded as income that are to be scored by the Congressional Budget Office. There is no question we should do exactly what we did last year. That is, we should defeat this amendment to the budget resolution. It is the same thing offered by the Senator from Arkansas last year.

Let me go back to my visit. I have just come back from home. I talked to a lot of people in Alaska. I talked to many of our labor leaders. We are a State where when we get together there are not very many of us. We have our labor leaders, people from the chamber of commerce, and heads of the various corporations—Native and nonnative—in meetings together. One thing we lack right now is the ability to create new jobs. Our economy is flattening out. It is more and more related to tourism which is very seasonable, obviously, in Alaska. There are not many people getting off cruise ships when it is 60 below zero. We do have a lot of industry that is capable and does work through the wintertime. Strangely enough, that is the best time to work on Federal lands in our State, during the wintertime. What we want to do is to find a way to expand the availability of Federal lands in Alaska for oil and gas exploration.

Mr. President, at the height of the transportation of oil by the great Alaska pipeline, the pipeline carried 2.1 million barrels of oil a day to Valdez for delivery to markets in the United States. Now it is down to 1.3. The reserves at Prudhoe Bay are playing out. They are not going to disappear overnight. They will just steadily decrease. Adjacent to Prudhoe Bay, as I said, on Federal lands—Prudhoe Bay being on State lands—is an area that we believe is the greatest reservoir for oil and gas in the North American continent. It has been explored, it has been analyzed. Everyone has accused us of all kinds of things, but I wish I could take the whole Senate up there, show them Prudhoe Bay, and show them the area we are talking about, the 1.5 million acres along the same arctic coast. There is no difference. One is not pristine, and the other, somehow a waste land. They are arctic tundra lands. They are not in the mountains. They do not have lakes and trees.

I remember one day I came out on the floor and showed a brochure that had been prepared by the Wilderness Society showing lakes and trees and a Caterpillar coming over the hill, and moose standing down by this nice lake. It was a fabricated brochure. To their credit, they withdraw the brochure when I held it up in front of God and everybody. There are people who somehow think there is a difference between the lands we have developed at Prudhoe Bay and the lands that are available for exploration and development just east of Prudhoe Bay.

That great reservoir, if it does produce oil and gas, is going to be a significant asset for the United States. Mr. President, it will bring in more money than the spectrum sales brought in. But you cannot count it until it comes. What you can predict—and we do—is there will be a substantial bonus for the lease, a bonus paid by people for the privilege of exploring. Those are the assets covered under the Bumpers amendment. The Bumpers amendment would deny us the right to count the money paid for the privilege of exploring. More generally, it would deny us the right to count any revenues from asset sales.

I am not going to continue, except to say to my friend that I hope we all realize that when I stood on this floor and we finally got the privilege to develop the Alaska oil pipeline, the amendment passed by one vote. It was a tie vote, the only vote that Vice President ever cast. Every time we want to bring about some development in my State, we face horrendous odds. That was in the 1970's, and this feeling existed then. We were told we would destroy the caribou and it would be a terrible thing for the fish and wildlife. Mr. President, the caribou herd at Prudhoe Bay is six to seven times the size it was when the pipeline was authorized. The difference now is that, through new technology, we can tell the Senate that the amount of land that would be utilized in the development of the production facilities for oil and gas, if it is a good discovery on that million and a half acres, will be about one-twentieth the size of land used in the development of Prudhoe Bay. Also, we have made an absolute commitment that, once oil and gas production is over, the natural contour, natural vegetation would be totally restored.

That is why I like to take people up to Alaska to show them the pipeline camps. I took one group over a pipeline camp and said, ''We are going to fly by helicopter up this road, and I want you to tell me where the pipeline camp is. We will be going to go over two camps.'' Not one saw the area where the camps were. It is totally restored to its natural condition. That same thing will happen when the day comes that Prudhoe Bay is over and production in the ANWR area, the million and a half acres I am talking about. It is an area that is within the wildlife refuge—it is not the wildlife refuge. It is a million and a half acres that Senator Jackson, in his great wisdom, decided should be set aside in the early 1980's for oil and gas exploration.

So I believe Senator BUMPERS presented, once more, an opportunity for us to talk about the differences between those who deny us the ability to use public lands to raise money to legitimately bring in income and to count it toward balancing the budget and those who want to drive on, not make the changes necessary in order to bring about a balanced budget and know that, ultimately, we have the power to tax. Ultimately, the final result of the Bumpers amendment is,

someone following us will be standing here urging the American people to increase their contributions from their own personal income to support this Government.

One thing I found out this last weekend at home, I will tell you, is ''that dog don't hunt in Alaska.'' No one up there wants any more taxes. As a matter of fact, they all urge us to find some way to reduce the cost of Government. They urge us to find a way to bring about a balanced budget. They want us to find some way to restrain the growth of the expenditures of the Federal Government. I think this budget resolution, to the great credit of the Senator from New Mexico and also the Senator from Nebraska, who also contributed to this process—even though he may disagree with us on some things, I know that he, too, seeks to balance the budget without raising income taxes.

So, Mr. President, I hope that the Senate will defeat this amendment and that we can go on with the process of trying to use the Federal lands that are available for oil and gas exploration, mineral development, and basic utilization to develop the economies of the Western States. We can use those sensibly and count the income from the utilization of those lands towards balancing the budget.

Mr. President, the one election I lost in my lifetime—well, I lost in another one, too—but one I lost even before I got in the Senate here was an election to be the president of the Alaska State Conservation Society. I believe that we do things in our State in a wise way in terms of protecting our environment. We go out of our way to do that. Unfortunately, we get tarred by a brush such as the one you have just seen. I see a new chart that my friend has, so I will yield the floor here in a minute. Clearly, there is no proposal before the Senate to do what Senator BUMPERS says. This is not a national yard sale, if I can borrow from the chart. This is not a proposal to sell the national parks. It is a proposal to use the unreserved lands, the lands that have not been set aside for a specific conservation purpose for development in the Western States, and to produce income to help us balance the budget without raising taxes. I thank my friend from New Mexico and yield the floor.

Mr. DOMENICI. I wonder if Senator EXON and I and Senator BUMPERS can take 5 minutes to discuss with the Senate where we are amendmentwise in this process, and we will get right back to where we are.

I yield up to 5 minutes off the resolution, to be charged equally, on this discussion.

Let me just give the Senate a report. We have done very well, considering that we had no scheduled votes on Friday and none today. Normally, it is difficult to get Senators to offer amendments under those circumstances. We got a unanimous-consent agreement that everybody is aware of. Two lists were sent to the desk containing 87 first-degree amendments. It was agreed to by the Senate that there would be no other first-degree amendments and that that was the extent of them; is that not correct, Senator?

Mr. EXON. That is correct.

Mr. DOMENICI. We asked Senators, in good faith, to help us with this bill, unless they wanted to pile up amendments and vote on them without debate. We have disposed of 32 first-degree amendments as of this moment—I am sorry. That is as of Friday night when we went out of session. Then we have done seven here this morning. So that is 39 of the 87. So if our arithmetic is right, we have about 47 amendments. Some of them are very vague, and I am not sure whether they are going to be amendments.

My purpose for getting some time to talk with the Senate is as follows. When we finish tonight—and we plan to be here until about 10 o'clock, I gather—we will have 8 hours remaining on this budget resolution, and it will be Tuesday morning, for all intents and purposes. We need to know from more Senators on our side—and we will leave it up to Senator EXON to ask his side—who have amendments that are still pending that are in that 87. If you are not in that 87, you cannot offer an amendment anyway. But if you are one of those 47 remaining, we need to know if you are going to offer your amendment. Tell us as soon as you can during this day. And, staff, while helping your Senators, get the word to them that we would like to know in the next couple of hours what their intention is on the amendments. Are you going to offer every single one? Are you willing to tell us that many of them are not going to be offered? We have to know, or we are going to be in a tremendous jam tomorrow because unless things change we are already going to have somewhere around 30 votes, maybe 35. The Senator from Nebraska is going to talk about how long that might take I assume.

Mr. EXON. I am.

Mr. DOMENICI. We need to know. We are going to stack these votes but not all of them for one voting session. We will arrange, we hope, for about 7 or 8 votes in the morning before the Senate temporarily closes up the Senate while Senators go to the funeral of the very distinguished Chief of Naval Operations sometime around 11, or maybe 10:30.

So we will have some votes in the morning. So, again, please let us know. Are your amendments going to be offered? If so, can we start listing them specifically so we know that they are going to be called up and how much time they need?

I now yield to Senator EXON.

Mr. EXON. Mr. President, I want to join in the appeal. I say to my friend, the chairman of the committee, that I have made two appeals earlier to date. I renew it again, and invite all to take advantage—both Democrats and Republicans—to come down and offer your amendments. The view that I have of this right now is that we have 25 amendments that have been debated and are stacked for votes tomorrow. Then we have, as near as I can tell, 47 to 50, amendments on a list that still could be offered. We do not know. Their could be second-degree amendments to that. That would make the list even longer.

But the situation basically is this: we know we are going to have at least 25 votes. If we take those 25 and even figure 10 minutes to a vote—and history tells us they run a little longer than that—that is 6 hours as of right now for voting tomorrow. The manager has just said that when we finish tonight about 10 o'clock there will be only 8 hours remaining on the resolution. The 6 hours of voting will not count toward the 8 hours remaining and there will be more votes after that.

It is very clear, therefore, that we are going to have another one of those ridiculous situations where amendments are going to be offered. There is going to be no debate, and then we are going to vote. It looks terrible for the U.S. Senate to engage in that procedure. But we are going through it again. I will say that the figures that I have just used include no time for debate. That is just voting.

Another way of putting it is we are going to be on this resolution for the next few days. When we finish today, we are only going to have 8 hours left on the resolution. In addition to those 8 hours we already have 6 hours committed just for voting.

I would just like to say, since we had a discussion, to my friend from New Mexico that it would appear that on both sides of the aisle we may have great difficulty in getting any votes in the morning. After the announcement was made of the funeral for the Chief of Naval Operations, Admiral Boorda, that many Senators on both sides of the aisle, therefore, made their plans to come back into town to go to that funeral and then come back here.

So I would simply say that although I would like to start voting in the morning it would appear that the efforts we were talking about in that regard may be very, very difficult. But that further complicates matters.

Let everyone understand. We are scheduled, as you know, to be out of here Friday sometime for a week's recess for Memorial Day. As is usual, when that happens, many Senators say, ''OK. We will finish Thursday night, and we will not be here Friday.'' I do not know how that is going to be possible because in addition to finishing this conference report we have the defense authorization measure that is supposed to be finished before we go on the recess.

So I simply say, please, Democrats and Republicans, Senators who have amendments either come down and offer them, or tell us that you are not going to offer them so that we can best manage the hours or minutes that we

have remaining to accommodate as many of our colleagues on both sides as possible.

Mr. DOMENICI. I thank the Senator.

Mr. KYL. Mr. President, I ask unanimous consent to ask for the yeas and nays on two amendments which I previously offered and have spoken to. As far as I am concerned, they do not need further debate. Of course, there could be if anyone wanted to respond.

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

Mr. EXON. Is the Senator asking the yeas and nays?

Mr. KYL. I ask for the yeas and nays separately.

Mr. EXON. We have no problem.

Mr. KYL. I ask for the yeas and nays on amendment No. 3995.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KYL. Second, Mr. President, I ask unanimous consent for the yeas and nays on amendment No. 3996.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I will be very brief in concluding the debate on my amendment.

First of all, I want to in the interest of fairness and honesty in the debate say to my good friend, Senator STEVENS from Alaska, that, number one, while we are debating what I consider to be a terrible policy of scoring asset sales, in all fairness to the Senators from Alaska, there is no proposal to sell ANWR. There is a proposal to lease it. It is calculated to bring $2 billion. But the Federal Government only gets half of that. Is that not correct, Senator? And we would proceed to withdraw royalties once it is developed.

So, as I say, in the interest of fairness, while we are debating asset sales, ANWR is technically not an asset sale. And I must confess that my principal objection to leasing ANWR is because I consider it bad environmental policy. That is not to say that at some point in the not too distant future in an emergency or something we will not consider it. I might consider it myself. And I know all the arguments. I have heard the chairman of the Energy Committee, with whom I sit on a regular basis, make all those arguments for opening ANWR. We just happen to have a disagreement on that. I consider ANWR just like I do people who save money as a nest egg for their old age.

One other thing: In my argument a moment ago, I pointed out that when I was a Governor I got a check for $21 million from the Federal Government and I did not put it into the operating budget for sound business reasons. I gave it to the Arkansas Highway Department to build highways with. In that way, if revenue sharing ever came to an end, we would not be all discommoded by having to fire 1,000 State employees, or cut the education budget, or cut the State police, or something else.

Let me say to my Republican colleagues. The Republican Party considers itself a party of business in this country. You are friends of the business community. We like to think we are too. But I know the Republicans for the most part take pride in being probusiness. I am probusiness too. But let me say to my colleagues before you vote on this amendment which will amend the Budget Act to provide that you cannot sell assets and score it for deficit reduction purposes call, just call three of your closest friends who have a business of any size and ask them: Would they as a sound business principle sell off a building? Let us assume you have three buildings. You sell one building because you do not need it anymore. Ask how many of them would go out and hire a bunch of people knowing that next year they will not have that money, and they have to increase sales, or do something to make up for that shortfall?

I can promise you every single president of the company you call will say exactly what the two previous heads of CBO have said: it is bad policy.

Let me say, Mr. President, to be crystal clear to everybody, this amendment does not prohibit asset sales. If the Senate voted to sell the Statue of Liberty, it could do that. This amendment could not prohibit it. I would not vote for it. I would consider that horrible national policy. All I am saying is if you do sell an asset—we have and we will continue to—I have voted for some asset sales—do not score it. It is bad business.

The Senator from Alaska said his people do not want any more taxes. Well, now, that is not the most profound statement I ever heard, with the utmost respect to the Senator from Alaska. Folks in Arkansas do not want any more either. But everybody wants a balanced budget. Everybody wants to go to Heaven but not just yet. So I want to balance the budget, but I do not want a dishonest budget. To score assets is deceptive. It is dishonest. And you will miss the mark of a balanced budget in the year 2002 or 2003 if you do nothing else except sell assets and score them. You will miss achieving a balanced budget by exactly the amount of the asset you sell and score.

Now, Mr. President, I offered this amendment last year and we got 47 votes the first time I offered it, and we got 49 votes the second time I offered it. I am hoping we will continue the trend of increasing our margin by two votes to 51 this year. Maybe not. But I can tell you this fight is just like me fighting with Mrs. Bumpers; the ones I win just are not over. This one is not going to be over until this Senate accepts that scoring of asset sales is bad policy.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BUMPERS. Mr. President, if the Senator from New Mexico will yield just a minute, one thing I wanted to do was to read into the RECORD a list of organizations that support this amendment: Taxpayers for Common Sense, National Parks and Conservation Associations, National Audubon Society, National Rural Electric Cooperative Association, Friends of the Earth, U.S. Public Interest Research Group, National Wildlife Federation, National Wildlife Refuge Association, Alaska Coalition, Alaska Wilderness League, American Public Power Association, Defenders of Wildlife, Greenpeace, National Resources Defense Council, Northern Alaska Environmental Center and the Sierra Club.

Now, those are mostly environmental groups, some in Alaska, and I can tell you what they are concerned about. Some of these people are just concerned about the sale of power marketing administrations, but most of these organizations are worried about the sales of wildlife refuges; they are concerned about selling off national forests; and they are concerned about selling national parks. If you think that is farfetched, just bear in mind there is a bill already in the House to set up a commission to do exactly that, to report back to us on the national parks we do not need and that can be sold.

I yield the floor, Mr. President.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am going to yield to Senator MURKOWSKI in just a moment. I have been here wanting to say a couple of things about this approach that Senator BUMPERS is talking about. Then I will yield to the Senator, and as I understand it the Senator wants 12 minutes.

Mr. MURKOWSKI. Twelve to fifteen.

Mr. DOMENICI. I am going to yield back now and reserve about 3 minutes for my myself, and then in sequence I believe the order is that Senator THOMPSON is next with his amendment.

How long is the Senator going to take?

Mr. THOMPSON. Probably 10 minutes.

Mr. DOMENICI. The Senator has an hour if he would like it but Senators who have amendments—Senator SNOWE will follow on our side. She seems to be ready. So we will do that sequencing.

Mr. BUMPERS. Mr. President, before the Senator moves on, I understood I had the right to offer 2 amendments.

Mr. DOMENICI. Three.

Mr. BUMPERS. Well, one I may not offer.

Mr. DOMENICI. You want to offer your second one right now after this debate is finished?

Mr. BUMPERS. I think the Senator from Alaska wants to speak on my amendment.

Mr. DOMENICI. I understand.

Mr. BUMPERS. And then I will offer the second. We will make it brief.

Mr. DOMENICI. So we make sure we understand, Senator MURKOWSKI will have ample time to rebut the first amendment. The Senator can offer his second amendment. He has up to an hour. I hope he will not use it.

Mr. BUMPERS. I say to my good friend from Tennessee, I will try to confine my remarks to 5 or 10 minutes.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I just want to talk about the practicality of this amendment and the budgets that are before us.

First, the President sent us a budget. I think my friend, the Senator from Arkansas, voted for the President's budget. I checked again, and I believe the Senator did. I believe the Senator did.

Now, that budget has $4 billion in asset sales, $2 billion of which occur in the last year, using the definition that the Senator has used of asset sales. But let me tell you what else it has. It has $38 billion in spectrum fees, $18 billion of which occur in the last 2 years—the last year, and then under the triggering mechanism there is $6 billion more.

Now, frankly, I would think if you want a definition that talks about single events that you get a bunch of money into the Treasury and then you do not keep getting in, you ought to expand your definition and talk about the President's spectrum fee.

Just to put it in perspective, it is twice as much in the last year as the Republicans say that sale will yield and without it the President's budget is way out of balance, so it is a very important thing, and in all of the rationale that the senior Senator from Arkansas used, the same rationale for the most part could have been applied to the President's budget and to spectrum fees.

Having said that, I want to make sure that everybody understands we just approved as part of last year's appropriations the sale and privatization of uranium enrichment functions of this country. A previously chartered public corporation will become private and, believe it or not, this was recommended way back in the days of President Nixon. It took us that long to understand how to privatize something that should have been privatized a long time ago. But we are very grateful we got it done. I am particularly grateful; I happen to have introduced the bill. It has some innovative and exciting things in it for this private corporation that is going to run that, including for the first time ever futures are going to be sold on uranium because we are going to buy a bunch of uranium from Russia, and we do not want to flood the market from it, so we came up with the idea of this new company having the right to take that in phases and issuing futures like you do in other futures markets.

Under this definition, that would not have been permitted. The Senator indicates everybody agrees with that. But strictly speaking, many privatizations would have a difficult time becoming reality.

My second point is the wilderness that is spoken of up there, ANWR, is not being sold, and I believe is not even in this budget resolution as assumed that it is going to be leased or otherwise. It is not in the budget resolution. And as the senior Senator from Alaska said, to be supplemented by Senator MURKOWSKI, there is not a sale plan. It is a lease. And the lease will continue to yield royalties.

Why should you not count that if it ever happens? It is not in this budget resolution. But if it does, clearly you ought to apply that to the deficit. I do not know what else you ought to do with it. Just put it in the Treasury and say the deficit did not come down?

When you put it in the Treasury, it comes down and then you keep getting royalties after that. I do not choose to speak the opposite side of the coin on ANWR, which has been spoken of on the floor, because I do not think I want to make ANWR the prime focus of this amendment since it really is not.

This amendment does not apply to ANWR. It applies to the things I have been speaking of and many more, and we ought not adopt it. We ought to leave that flexibility where it is, as it is, in this budget resolution. And when you bring the budget down as much as we are and you get a few $1 billion of asset sales, I believe you are not distorting anything unless you cannot depict after that a steady stream of reduced deficits following this balanced budget. If it was the only thing and then it was shooting back through the air, I would be down here saying that is pretty phony, but we are bringing it down so much that the additional amount you bring it down by asset sales I believe is a pretty adequate and accurate picture of where we are.

I yield the floor and yield 12 minutes to Senator MURKOWSKI.

Mr. MURKOWSKI. I thank the floor manager.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I listened with great interest to my good friend from Arkansas. I find it rather curious he is speaking in opposition to asset sales today when he voted for them.

We had the privatization of the U.S. Enrichment Corporation, supported by the Clinton administration. It is my understanding it would be about $1.2 billion, or net over 7 years between $1.6 and $1.8 billion.

The second asset sale was a sale of the helium reserve, supported by the Clinton administration, a $47 million revenue stream supported by the Senator from Arkansas.

Lease of excess capacity in SPRO is supported by the administration, supported by my friend from Arkansas, and I think it would generate some $359 million. That is proposed leases to foreign countries.

Then there was the sale of surplus assets by the Department of Energy, supported by the Clinton administration, to generate $110 million. I believe my friend from Arkansas supported that as well.

Prepayment of outstanding loans: One was, as I recall, the central Utah project, supported by the Clinton administration, $219 million, and I believe supported previously by my friend from Arkansas.

My good friend seems to cite his problem with the formula for asset sales, where we are selling assets to raise revenues under the Budget Act. Without the change in scoring, the Federal Government receives money, but it does not count. In some instances, such as prepayment of loans, the Federal Government does not receive future payments which do count as cash. The result is that you have a Budget Act point of order for cash because you did not count the revenues. The theory there, Mr. President, is you sell something, you have lost revenues, therefore, it is a loss. Well, how do you get rid of anything around here?

A few quick points for those who are not familiar with the process around here. We have heard discussions on this issue before. This amendment, offered by the Senator from Arkansas, would prevent the sale of assets from scoring in the budget process. This change was made in the budget process last year at the request of the President, who, I might add, is from Arkansas. It was not something we dreamed up at the last minute. It came from the President. We happen to agree.

The change made last year allows us to score the sale of assets that are already, basically, a part of the process, and, in this case, the group that I just read off, Mr. President, is about $4 billion in assets that would be recognized as part of the President's budget.

It makes no fiscal sense to say after Congress authorizes the sale of an asset that they cannot count it in the budget process. It is absolutely absurd to this Senator that if we sell something that produces $1 billion, we have to borrow money to balance the budget because we cannot count that money that comes into the Treasury.

There is no reason why these asset sales should not count and should not help us reduce the deficit. How could we ever sell surplus Government property? If we can lease some land, get rid of some Government surplus, then why should we not be allowed to have it go toward deficit reduction? Why should it not be appropriate for the Government to be able to sell some of its assets and use the money to help reduce the size of the deficit?

Additionally, Mr. President, these asset sales are auctions on behalf of the Government. They create jobs and opportunities for Americans. Whether it be a mineral lease sale, a spectrum

auction, or a privatization of the U.S. Enrichment Corporation, as we did last year, these actions create private sector jobs. Here we have a situation where we can sell Government assets, use the money to reduce the deficit, and create real private sector jobs.

I get somewhat of a chuckle when the Senator from Arkansas shows a picture of the Statue of Liberty with a for sale sign on it. That kind of hype, obviously, may be appealing to some, but it is not factual, and the Senator from Arkansas knows it. Does anybody in this body truly believe we would sell the Grand Canyon or the Statue of Liberty to generate a cash flow? Of course not.

What does make sense is to sell something that the Government has, such as the use of a closed Army base for low-income housing or a spectrum auction. Then it makes sense that we use this money to attack the deficit and not to throw it away on some other project the Senator from Arkansas dreams up. The money comes into the Treasury, and it makes sense that we record it as such.

I find it rather ironic that in this extended discussion, ANWR seems to have come in. My understanding today is that the United Nations authorized Iraq to put about $1 billion worth of oil each quarter on the world market so that we can look to that source to ease the shortage associated with the supply and demand of oil.

My memory suggests it was only a few years ago that we had a half million men and women in the Persian Gulf for one specific reason: to keep Saddam Hussein of Iraq from controlling the supply of oil from the Mideast.

At that time, we were trying to put Saddam Hussein in a cage. Unfortunately, we did not achieve that, but it is rather ironic that today we are looking to him for relief when we have areas at home that we can open safely using the science technology and experience that we have.

My friend from Arkansas cited an extensive list of national organizations, some in my State of Alaska, that object to the asset sale concept. I find that rather amusing because spokespersons in those organizations have come to me and said, ''MURKOWSKI, there's absolutely no question in our minds that you can open up the Arctic safely to oil and gas exploration and to production, if the oil is there. But you know and we know that this issue is a national cause. It gives us dollars, it gives us membership.''

It is too far away for the Senator from Arkansas or others to go up and look at it and see for themselves the technological advancements that have been made, or to go down in the Gulf of Mexico in the delta off the Mississippi River and see how the technology has developed to where they are now drilling in 2,300 feet of water. To suggest that we cannot drill on land in a very, very tiny sliver, roughly 2,000 acres out of 19 million acres, and do it safely is an effort to hoodwink the American people.

So I am a little surprised that my good friend from Arkansas would attempt to roll in the national environmental groups' major issue relative to membership and dollars. I am disappointed too that he would allow himself to be used by those groups, so to speak, who admit without question that we have the capability to develop oil and gas resources safely. But they know they need an issue. It creates dollars. It creates membership. As a consequence, we have it brought up in this debate today.

So I encourage my colleagues to look behind the motives associated with the objections by the Senator from Arkansas who reflects on an objection to the process under which the Federal Government sells its surplus property, leases, if you will, its resources to generate funding so this funding can come back in the Treasury and be utilized for deficit reduction or the budget process.

I think it is an extraordinary set of circumstances that we find ourselves in a situation where some would have this particular asset sale issue be seen as a vote on a resource development issue that would make our Nation less dependent on imported sources of energy.

I serve on the Energy Committee with my friend from Arkansas. And I appreciate his sensitivity to the fact that we are increasing our dependence on imported oil. We are about 51.5 percent dependent on imported oil. But, you know, the other day we also saw an effort by the administration, an announcement of the sale of some of the oil that went into the strategic petroleum reserve, that it would be sold, about 12 million barrels.

This was hyped up by the media as way of bringing down the price of gas. None of them were sensitive enough to really pick up on the issue of how insignificant it was, because when you discuss 12 million barrels, and we consume 18 million barrels a day, you can readily see that this is simply a drop in the bucket. But nevertheless, it was significant to the media. And we note that the President has proposed further sales of SPRO. And we are going to be debating that in the Energy Committee.

But the single most important thing, Mr. President, is we created SPRO as a consequence of the oil embargo in 1973. We saw a disruption in our supply of oil. Congress acted in the national security interests of the country by creating a strategic petroleum reserve with approximately a 90-day supply in mind. We did not achieve 90 days supply, Mr. President. We got up to about 37 days. But I find it extraordinary that at that time we were 36 percent dependent on imported oil. Today, we are over 50 percent and there is a suggestion that we sell some of SPRO.

Mr. President, it is only a matter of time. We are losing our leverage on the Mideast because we are becoming too indebted to them as a single energy source. We will rue the day in this body when we have not met our obligation to reducing this country's dependence on imported energy by encouraging domestic development where we are most likely to find it and where, indeed, we have the proven technology to do it safely.

I also find it rather ironic on some of the issues in Alaska some people would rather see a check written for the impact of people rather than benefit from the creation of jobs, such as was the case proposed in the Tongass for $110 million, to take care of their needs. The environmental community does not suggest that is applicable to taking care of the concerns of the Gwich'ins or the porcupine caribou herd in this case.

No. It is an issue that emotionally is charged with unfounded rhetoric, based again on those unscrupulous, extreme environmentalists that want to use this as the single most important issue to generate funding, generate membership, because Americans cannot go up to see it for themselves, and time after time we simply sell American technology and ingenuity short.

I can tell you as a businessman, Mr. President, if the position of the Senator from Arkansas prevails, this Government is not going to be able to generate, from the sales of surplus, leases, or whatever, funding to reduce the deficit or fund the Government, as the case may be. So as a consequence, Mr. President, I encourage my colleagues to focus in on the real issue at hand here.

That is the issue specifically of scoring. And that is what the Senator from Arkansas is opposed to. That is what this Senator from Alaska supports, because without it we simply cannot get there from here. We cannot properly address the sale of Government property and generate the funding into a worthwhile cause whether it be deficit reduction or other budgetary needs. So I encourage my colleagues, Mr. President, to vote against this amendment as they did last year and the year before, and I believe the year before that.

Mr. President, I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me say that the Senator from Alaska, he is correct, I voted for the sale of the Uranium Enrichment Corporation. I did not vote to score the money received from that sale on the budget to reduce the deficit, to mask the size of the deficit. He is incorrect in characterizing my support for his proposals to sell assets. I voted against the reconciliation bill out of our committee.

Mr. President, my point is this—I do not know how many times I have to say it—I am not suggesting we prohibit asset sales. I am suggesting that we not mask the size of the deficit by scoring revenue from asset sales against the deficit. If you want to put the sale of the Uranium Enrichment Corporation into infrastructure that you would otherwise spend, be my guest.

AMENDMENT NO. 4014

(Purpose: To restore common sense to the budget rules by eliminating the defense firewalls)

Mr. BUMPERS. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside in order to offer another amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. SIMON, and Mr. KOHL proposes amendment numbered 4014.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike line 9 on page 52 through line 22 on page 53 and insert the following:

''(1) with respect to fiscal year 1997, for the discretionary category $489,207,000,000 in new budget authority and $531,365,000,000 in outlays;

''(2) with respect to fiscal year 1998, for the discretionary category $489,153,000,000 in new budget authority and $521,660,000,000 in outlays;

''(3) with respect to fiscal year 1999, for the discretionary category $493,221,000,000 in new budget authority and $525,742,000,000 in outlays;

''(4) with respect to fiscal year 2000, for the discretionary category $500,037,000,000 in new budget authority and $525,071,000,000 in outlays;

''(5) with respect to fiscal year 2001, for the discretionary category $492,468,000,000 in new budget authority and $517,708,000,000 in outlays;

''(6) with respect to fiscal year 2002, for the discretionary category $501,177,000,000 in new budget authority and $515,979,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

''(b) POINT OF ORDER IN THE SENATE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

''(A) a revision of this resolution of any concurrent resolution on the budget for fiscal year 1998 (or amendment, motion, or conference report on such resolution) that provides discretionary spending in excess of the spending limit for such fiscal year;''.

Mr. BUMPERS. Mr. President, this amendment would abolish what we refer to around here as the firewall that protects the defense budget against any diminution if you try to take any money out of defense to put it in something else. If you had 5 million homeless people in this country that were hungry, and you wanted to decide, as a matter of national policy, we did not want those 5 million people on the streets hungry, and you felt like you might cut the defense budget it would require a supermajority—60 votes.

Now let me explain what the firewalls do. The 1990 Budget Act established caps on discretionary spending and imposed firewalls on the defense portion of the discretionary budget for fiscal years 1991 to 1993. In fiscal years 1994 and 1995, we did not have these so-called firewalls. All of a sudden last year it came back. And so the last 2 years, 1995 and 1996, the firewalls were up again.

Now, Mr. President, let me tell you, in the 2 years, 1993 and 1994, when the firewalls were down, I want anybody here to tell me how defense suffered. Did anything happen in those 2 years that would jeopardize the national security of this Nation? I can answer that. You can answer it. The answer is no.

I am just offended by the philosophy that every day of every year that approximately $270 billion for defense is sacred at the expense of everything else. You might have 10 million children unimmunized. You might have 5 million children who have been kicked off Medicaid and therefore are ineligible for health care. You may have hungry children who are not getting fed because the only meal they get is at school. Under the firewalls you cannot take $1 to redress any other of the millions of problems we have in this country unless you can muster 60 votes.

The thing that I think is almost as offensive to me as that is that everything around here is couched in terms of either you vote for every single dime anybody can conjure up for defense or you are perceived as being weak on defense. The Budget Resolution provides more than $11 billion for defense above what the President asked for. I sit on the Defense Appropriations Subcommittee. I get a chance to decide later whether I think that is enough money, too much, or not enough.

Let me discuss what is happening to this country and you tell me whether or not you think we can continue with this policy and continue to be a great nation. First, the argument I have heard most is that we do not spend as much on defense as a percentage of the national budget as we did when Jack Kennedy was President. Well what is so startling about that? We did not have Medicare then, either. Social Security expenditures were around $10 billion to $15 billion a year; now it is almost $300 billion. Entitlements did not take 60 percent of the budget as it does now. If you take entitlements and interest on the national debt it leaves you, out of a $1.650 trillion budget, it leaves you approximately $500 billion for discretionary programs. Let me repeat: Out of $1.7 trillion, all that is left for defense and all the other things that make us a great nation, a civilized nation, a democracy, is $500 billion—about 35 percent of the budget.

So here we are with 35 percent of the budget, $500 billion for defense and everything else—the environment, education, law enforcement, medical research, you name it. So where are we heading, Mr. President? This chart demonstrates what is going to happen. Between 1997 and 2002 we are going to spend $1.895 trillion on defense. During the same period we will spend $1.579 on domestic discretionary programs. While defense spending rises during the period, domestic programs are cut, down to the point that in the year 2001 defense gets $275 billion while everything else gets $218 billion.

Education, the environment, highways, medical research, law enforcement, our system of justice, these programs all get slashed. In comparison, defense over the next 6 years get $316 billion more than everybody else.

This budget over a 6-year period cuts $60 billion in education spending. The other day, the majority leader of the House suggested that we cut education to offset the gas tax cut. He said: ''We are not getting a very good return on our dollar, anyway, for education.'' I swear, sometimes you would think we are living in the middle ages.

Mr. President, what has been happening to nondefense discretionary spending? We are by far the most powerful nation on Earth. One of the reasons is because over the next 6 years we are going to spend $316 billion more than we spend on nondefense programs. I am not talking about Medicare and Medicaid and Social Security, welfare and all the entitlement programs. I am talking about just the things where we have some discretion. We account for one-third of all the world's military spending. We spend twice as much on defense as Russia, China, Iran, Iraq, North Korea, Libya, Syria, and Cuba; twice as much as all those eight nations combined. We spend 17 times more than the six so-called rogue nations, Iran, Iraq, North Korea, Libya, Syria, and Cuba—17 times more.

Oh, yes, we are by far the most powerful nation on the Earth militarily. This body has said, ''You can't cut a dime of it unless you get 60 votes.'' Bear in mind in 1993 and 1994, it did not come up. Nobody tried to rob defense to pay for other things. There are some things I would have changed. However, let me tell you where the United States is not doing so well. Listen to this, colleagues: we are 21st in infant mortality rates in the world. Mr. President, 27th in education. Let me repeat that: 27th in education by the scores the Department of Education keeps.

Where are we in the immunization of our children? Mr. President, 61st. Betty Bumpers has spent her entire public life since I was elected Governor on childhood immunization programs. I am proud of her. I have said many, many times if I died tomorrow, the people of my State and this Nation would owe her a much bigger debt of gratitude than they will owe me. I do not say that to be gracious. I say that because it is true. When I think of the man hours that have been spent, I think of the children's lives that have not been lost, when I think of the human misery that has not been suffered because of Betty's commitment now, and in the last 5 years with

Rosalynn Carter, traversing this country back and forth, up and down, for the past 5 years, trying to get these levels up, and we are 61st in immunization levels. I must say, our levels are pretty high, but not as high as they ought to be. How many children in this country live below the poverty line? Twenty percent of our children live below the poverty line.

Who has the highest teenage murder rate in the world? The United States. So how are we going to address that? Not by putting 100,000 more cops on the beat, because we cannot afford it. While we should be spending for the things that make us a great Nation, we have to keep that going down, so we can keep defense spending going up.

So, Mr. President, I can tell you, categorically, that it is not my plan. I am just saying it is bad public policy, and it does not reflect well on the U.S. Senate and the U.S. Congress to say that we consider defense so important that, no matter what happens in this Nation, no matter what kind of an epidemic we may have that we need to stomp out, no matter how many hurricanes, tornadoes, and floods we have, you cannot, without 60 votes, take a dime from defense to address it.

That is a crazy policy, and it shows how little confidence the people who conjured that up have in the U.S. Congress. It is as though we will unilaterally disarm. We do not do it for anybody else, and we ought not do it for defense. This body is not going to take leave of its senses if I or anybody else offers an amendment to take $1 billion out of defense. If they do not like it, they can vote against it. That is called democracy.

I ask unanimous consent that it be in order that I be allowed to ask for the yeas and nays on both of my amendments dealing with firewalls here and also on asset sales.

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

Mr. BUMPERS. I now ask for the yeas and nays on each of those amendments.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment offered by Senator SIMON and Senator BUMPERS. The amendment would remove the firewall between defense and nondefense discretionary caps and would allow defense to be used as a convenient billpayer. This amendment encourages raiding defense accounts every time there is a fiscal problem. It will not restore flexibility to the budget process, nor help avoid any future Government shutdowns, as some would have you believe.

Our flexibility to determine defense spending or reduce defense spending, if we so choose, is not restricted by firewalls. The Congress will continue to set spending priorities. Firewalls will ensure we live by those priorities.

Firewalls and spending caps are important tools for maintaining fiscal discipline. Firewalls guarantee that if defense spending is reduced, the savings will go to deficit reduction rather than to other Government spending. If the Defense Department develops a requirement for additional funding, then firewalls will require the Department to provide an offset.

Hard decisions must be made to balance this budget. We should not allow defense to be used as a billpayer without regard to the effects of these reductions on our military capabilities.

Mr. President, the defense budget is in its 12th straight year of decline. The Secretary of Defense, service Secretaries, and Chiefs of the military services have all testified about their concerns regarding modernization funding. But we already have had a good debate on defense spending and had a vote. I do not need to waste more time going over those arguments. We must maintain discipline in the budget process. Firewalls contribute to that discipline. There is no easy way out. There is no convenient billpayer that will take care of all of our problems.

I strongly urge all of my colleagues to oppose this amendment.

Mr. President, I yield the floor.

Mr. BUMPERS. Mr. President, the Senator from Illinois, Senator SIMON, has arrived on the floor. He is my No. 1 cosponsor.

Is the Senator from Illinois willing to defer? Senator THOMPSON from Tennessee has been waiting an inordinate length of time. He has been waiting on me to finish speaking. I promised him that he could go immediately after me. He will not take very long for his statement. But I do want my colleague to be heard on this asset sale amendment.

Mr. SIMON. I certainly agree to that—particularly if the Senator from Tennessee will agree to your amendment. Seriously, I do not have the floor, but I am pleased to hear the Senator from Tennessee.

Mr. THOMPSON. May I inquire of the Senator from Illinois how much time he needs? Since we are on that subject, it might be best if he goes first.

Mr. SIMON. I was going to speak for 3 to 5 minutes on the Bumpers amendment.

Mr. THOMPSON. While we are on that subject, if it is agreeable to everybody else, I will defer to my friend, if he wishes. Would the Senator prefer that, or would he prefer me to go ahead?

Mr. SIMON. If the Senator from Tennessee has no preference, I welcome the opportunity to speak briefly, and I assure him that I will speak briefly.

Mr. THOMPSON. That is fine with me.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I strongly support this amendment offered by Senator BUMPERS. Let me just remind you of where we were not too many years ago. In 1975, I came into the U.S. House of Representatives. If you take the defense budget for 1975 and add an inflation factor, this year we are going to spend $22 billion more than we spent in 1975. In 1975, we were involved in the cold war, a nuclear confrontation. We were involved in Vietnam.

Now, the other side will point out that we had a draft then, and we did not spend as much money on personnel. But let us face it, the world has changed dramatically and, because of the pressure from our friends in the defense industry, we are not changing, and we ought to. Gertrude Stein would say, ''Money is money is money.'' For us to say some money is more sacred than others, and we are going to give the Pentagon $11 billion more than they requested, we are going to cut back on education $2.3 billion, I do not think that makes sense.

If someone wants to set up a firewall around education—and I strongly support education—I am going to vote against that. I do not think we have a firewall for anything. The Senator from Arkansas makes good sense, and I hope we will have the good sense to do that.

I point out, about 3 years ago, by voice vote, without a dissent, I offered an amendment to get rid of the firewall, and the Senate unanimously adopted that. I remember BILL BRADLEY and JOE BIDEN were cosponsors of that amendment, along with Senator BUMPERS. When we got to conference, our friends in the defense industry went to work, and we lost. But this amendment makes sense. This is in the best interest of our country, and I hope we adopt the Bumpers amendment.

AMENDMENT NO. 3981

(Purpose: To express the sense of the Senate on the funding levels for the Presidential election campaign fund)

Mr. THOMPSON. 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 Tennessee [Mr. THOMPSON], for himself, Mr. KERRY, Mr. MCCAIN, Mr. FEINGOLD, and Mr. BRADLEY, proposes an amendment numbered 3981.

At the appropriate place in the resolution, insert the following:

SEC. . SENSE OF THE SENATE ON THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that when the Finance Committee meets its outlay and revenue obligations under this resolution the committee should not make any changes in the Presidential Election Campaign Fund or its funding mechanism and should meet its revenue and outlay targets through other programs within its jurisdiction.

Mr. THOMPSON. Mr. President, the purpose of this amendment is to delete the mandatory assumption in the pending resolution which directs the Finance Committee to repeal the current system of financing the Presidential

election campaign fund. The budget resolution directs the Finance Committee to change the checkoff to a direct contribution to be taken from tax refunds.

Mr. President, as you know, we have a system now whereby our Presidential election campaigns are funded by a checkoff system where taxpayers can check off up to $3 to finance the Presidential campaign. What the budget resolution would do is to change that to a situation where a person would have to take money out of their own pocket from tax refunds in order to voluntarily contribute toward this fund.

There is no question but what the result of that would be. It would be to eventually destroy the fund and the system we have now, at a time when everybody is concerned about the way their Government is operated, the way their Government is perceived, and the cynicism that so many people have toward their Government, toward the role of money in their Government, and toward the role of money and the amount of money—tremendous sums—that is necessary to finance Presidential campaigns, Senate campaigns, and congressional campaigns.

At this particular time, the budget resolution takes exactly the wrong move toward all of this. We ought to be going in the opposite direction.

There is a reason that we have the system that we have today. Along about 1973, we had an affair called Watergate. We heard testimony during that period of time about large suitcases full of money going around and cash being collected from around the country from very substantial individuals and groups of individuals, and about those suitcases of cash being brought back here. In that particular Presidential race—it was a bipartisan problem—I remember one of the treasurers for one of the Democratic candidates in the primary wound up going to jail because of some of the things that we investigated. But very substantial with regard to the President's reelection campaign, this was a major problem that resulted in them spending that year about twice as much in real dollars—in current dollars—as was spent in the last Presidential campaign.

So we were awash with money, we were awash with cash, and we were awash with concern in this country that the wrong people were having too much influence on the outcome of our Presidential races. So this did not just appear out of the blue. It was because of a very real concern.

I hope that we do not have such a short attention span in this country that we do not even remember things like that entire affair called Watergate back in 1973.

The result of the reform that came from that—there were several reforms, some were good, some were not so good—was PAC contributions or the political action system itself which was built up during that particular time. But one of the results—on the Presidential level anyway—was that we really got more participation and have had more participation by American citizens in the Presidential campaign process than we have in other elections in this country. Taxpayers somewhere in the range of 15 to 20 percent participate in this program. Taxpayers participate to other elections in the range of about 7 percent.

Another result that has been derived from the system that we have now is that it has been virtually scandal free. We certainly cannot say that about any other part of our system. It has also leveled the playing field. I think that many of us are undoubtedly concerned about the extraordinary advantages that money brings. And we have this debate with regard to Senate campaigns; congressional campaigns. That is another debate that we certainly are going to have in this body before long, and something that is of concern to me. But because of the Presidential system that we have now we really have developed a pretty level playing field where there has been an incumbent involved. In three out of four of the last Presidential elections challengers have had one.

So by almost any measure at a time when very few things seem to work properly, and at a time when people certainly are not satisfied with the role of money and the amount of money in our entire political system, it would seem that on this Presidential level anyway the system has worked better than any other. The question that you have to ask yourself is, If we do away with the system that we have now, what are we going to replace it with? If we go to a system that is going to generate fewer and fewer dollars, as without any question this would, we are eventually going to have to have a situation where people opt out of it. Only about three people have I think ever opted out of it since we have had it. But you will have more and more people who will opt out of it and go back under the old system. And if you think raising $1 million or $4 million for a Senate campaign in increments of $1,000 or less is a lot of fun, somebody ought to try raising $90 million under that system. So it will be a total impossible mess where candidates will be spending absolutely all of their time years in advance in trying to raise these relatively small amounts of money, and the people who can raise those moneys for them, of course, become more and more influential in policy.

So we are not leaving ourselves any fallback here, and we do not have anything to replace the current system with.

There is no doubt that the current Presidential checkoff system and the current Presidential financing system could be improved somewhat. It seems that my party has front-end loaded the primaries and pushed the convention further back which places great difficulties on candidates who have contested primaries. We may have outsmarted ourselves there. The President this year does not have a contested primary.

So you must look to see whether or not there are those allotments where you can raise so much money and individual States by so much and by such and such increments, and all of that. I would not care to put all of that on the table.

I think we can look at absolutely all of that and adjust that in a way that would improve our overall system. But the basic proposition that we need a system at the Presidential level—I think otherwise, too, but again another debate—we need a system at the Presidential level where at least the fellow or the person that we elect as President of the United States does not have the additional baggage of being perceived to be elected by special interests at a time when cynicism is the biggest problem probably facing our Government because it permeates everything else. As I said, this is exactly the wrong direction to go in. Therefore, I urge adoption of this amendment.

I yield the floor.

Mr. MCCONNELL. Mr. President, Members and their staffs need to be clear on what this particular debate is about and what it is not about. It is not about the merits of the Presidential campaign fund. It is not about the Watergate so-called reforms.

What this amendment is about is fiscal integrity. Contained within the budget resolution is a provision which simply makes the Presidential election campaign fund tax form checkoff mechanism truly voluntary. In other words, it alters it so that the checkoff no longer diverts tax dollars from the Treasury. Instead, checking ''yes'' will deduct $3 from that person's tax refund.

In sum, what this does is change the checkoff mechanism so that the nearly 90 percent of Americans who choose not to check ''yes'' are not forced to pay for the few who do.

At the most recent checkoff rate, this modest alteration would save taxpayers about $70 million annually.

As I said, this modest proposal does not abolish the Presidential system, as I would like. It does not get rid of the checkoff, as I would like. This is not a referendum on the merits of the Presidential election system.

Presently, the checkoff's ''yes'' box constitutes a direct appropriation diverting tens of millions from the Treasury at the behest of a shrinking pool—13 percent and falling at last count—who check ''yes'' on their tax forms.

As George Will so astutely pointed out in the Washington Post last year, the current checkoff mechanism is a bookkeeping dodge. He further elaborated: ''The checkoff involves not voluntary contributions but rather a diversion of scores of millions of dollars of general revenues to an unpopular program.''

Mr. President, the public's disdain for taxpayers financing of political campaigns is well known so I will not belabor it further at this time.

The budget resolution provision quite simply would modify the checkoff mechanism so that people who oppose taxpayer funded political campaigns do not have to pay for those who check ''yes.'' The Senate has never voted on this specific question—it is not on the merits of the Presidential system—so I hope colleagues who support the Presidential spending limit system will give careful thought to making the checkoff mechanism honest by making it truly voluntary.

Mr. President, we ought to consider expanding the checkoff format, in an add-on form. I am favorably disposed to include such a checkoff to raise funds for America's national parks—popular national treasures. There are no doubt other worthy endeavors which would be appropriate subjects of checkoffs to give Americans an opportunity to directly contribute, without impacting the budget.

The Presidential fund is very unpopular and the checkoff is deceptive. To simply make it honest, I urge my colleagues to oppose the Thompson amendment.

I would also advise Senators that the Kerry amendment is strongly opposed by the National Taxpayers Union and Citizens Against Government Waste. In the view of these good government groups, a vote against the Thompson amendment is a vote for taxpayers.

Mr. KERRY. Mr. President, to quote Yogi Berra, perhaps slightly inaccurately, ''This seems like deja vu all over again.''

It was over 20 years ago now when this Nation suffered through the embarrassments and dangers of Watergate. The Nation was treated to the spectacle of testimony about the Attorney General of the United States and the Secretary of Commerce shaking down the captains of industry for campaign contributions, and hauling briefcases full of hundred dollar bills. Americans learned about expenditures that totaled over $200 million in 1996-valued dollars. They saw a genuine constitutional crisis that toppled a Presidency and posed much greater risks for our constitutional democracy. And they understandably were not pleased.

In the fallout from Watergate, the Members of Congress got the message from their constituents to fix the problems that permitted the campaign finance abuses that composed an important part of that scandal. The Congress responded by enacting a program of voluntary spending limits for Presidential election campaigns in exchange for providing public financing for Presidential candidates in both the primaries and the general election. And, Mr. President, it has worked. It has worked superbly. In all the Presidential elections since 1974, we have never again seen the abuses that the 1972 election will infamously represent to all who lived through it or have learned about it from the history books.

That makes it doubly difficult to understand, Mr. President, why anyone would want to destroy those reforms that have worked so well. But that's precisely what some on the other side of the aisle want to do. Just 1 year ago, when we were considering the last congressional budget resolution, the Republican majority on the Budget Committee at the behest of other Republican Senators made an effort to abolish the Presidential campaign finance system. At that time, I offered an amendment to remove the language from the resolution that would have had that effect, and by a vote of 56 to 44, obviously composed of the votes of both Democratic and Republican Senators, we succeeded in saving the existing system of Presidential campaign spending limits and public financing that has removed corruption from Presidential elections, limited the amount of money spent in those campaigns, and returned to the American people the allegiance of candidates for the highest office in the land and the most powerful office on the face of the Earth from the special interests which used to so generously pay for the campaigns.

This year, opponents of publicly financed Presidential elections are using a different approach, but the intent and the result would be the same. It would end the system of spending limits and public financing of Presidential elections.

That is why I stand here with my good friend, the Senator from Tennessee, and colleagues from both sides of the aisle. We will oppose, and once again we are determined to defeat, this effort to kill the system of public financing that is working to keep special interests from taking over Presidential politics once again.

The budget resolution says: ''This proposal would not terminate public financing, only the source of the funds.'' Well come on, Mr. President, how are we going to have public financing and the spending limits and clean campaigns that go with it if we don't fund this proven system? Who's attempting to kid whom?

This is a time for us to win back the collective faith of our community members and the rest of the country. We should be committed to restoring the American trust in our electoral system. Obliterating a system of public financing that has worked for two decades is no way to accomplish that.

Plain and simple, Mr. President, the system works. 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 the total both President Bush and Bill Clinton spent in 1992. I challenge those Senators who are the proponents of the provision in the budget resolution to find any American who would favor a return to the days prior to the Watergate reforms—except, of course, representatives of the moneyed special interests who would love to be able to purchase special access and influence again if we were to permit them to do so.

I hope we will not forget the way it used to be. We must not forget that a Presidential candidate accepted a $2 million campaign pledge from an industry, and then his administration granted that industry an increase in price supports that cost the American people far, far more than the $2 million contribution. We must not forget the approval of an airline's route application shortly after a large corporate contribution to the party in power. And we must remember the settlement of antitrust litigation on terms favorable to a corporation very soon after that corporation agreed to underwrite a large portion of the cost of a political convention.

Those were the bad old days of Presidential elections, Mr. President, and I am totally confident the American people do not want to return to those kinds of practices. These are the kinds of activities the system of voluntary spending limits and public financing has eliminated from Presidential elections, and that is why it is so important to preserve public financing of Presidential elections.

Nearly 50 percent of Americans believe lobbyists and special interests control Washington, and over 90 percent believe that campaign contributions from special interest groups influence members' votes. Special interest political action committees [PAC's] contributed a record $189 million to congressional candidates during the 1993–94 election cycle. It is these same PAC's that sniff out the movement of power in Washington as their loyalties flip like pancakes on a griddle. And in 1994, the Federal campaigns for the House and Senate cost an astronomical $600 million. This is a system that is out of control. The people know it, and they do not like it one bit.

But look at the role of PAC's in the presidential election system. PAC's provided less than 1 percent of the funding for the Presidential campaign in 1992; 1 percent. But that would change if we do not adopt this amendment, if we do not save the Presidential campaign financing system.

Mr. President, the American people want the strings of special interests cut from their Government. They want to retake control of their Government. In fact, Mr. President, that is exactly what this campaign fund does with respect to Presidential elections. 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 1 in 22 Americans contributed to campaigns in 1994. The checkoff could, in fact, be stronger than it is today. No American is coerced to participate in the checkoff. It is a voluntary system. But it works.

The system of financing Presidential elections has no political or ideological bias. And the history of Presidential campaigns in the past 20 years demonstrate that it is warmly embraced by candidates for both parties. It has been accepted by both Republican and Democratic candidates. Indeed, since 1976, all but one major candidate for the Republican or Democratic Party nominations voluntarily chose to participate in the Presidential campaign finance system. All major party candidates for the general elections have chosen to accept public financing since 1976.

We are faced today with a new, and ever growing sense of urgency to fix our campaign system. As the influence of special interests grows, the distance between the American people and their Government grows. Our citizens, the most fundamental and critical engine to our ability to govern, feel they are being cut out of our democratic process. But that is a debate for another day.

The subject for today is not to turn back the clock and retreat from the single most beneficial set of changes to our system of financing campaigns in our lifetimes.

We have the honor of representing the public trust and responding to their concerns and needs. We did the right thing a year ago when we rejected a very similar provision with the identical objective, and I urge my colleagues to once again demonstrate conclusively that the special interests will not be permitted to regain control of Presidential campaigns and, in so doing, unleash unlimited campaign expenditures—all financed by moneyed special interests—on the American people. I urge my colleagues to support this amendment, and to preserve the Presidential Campaign Finance System.

I compliment the Senator from Tennessee for his leadership on this amendment. He knows, from close, firsthand observation, the destruction that the abuses in the campaign of 1972 caused, and he was closer than most to the further dangers that we fortunately avoided. It is reassuring to see him courageously stand up and resist this misguided effort, and I am proud to stand with him and with our other colleagues who are joining as cosponsors of this amendment.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I would like to ask the Senator from Tennessee if he would give me one minute.

Mr. THOMPSON. Yes.

Mr. EXON. Mr. President, I thank the Senator from Tennessee who made a very excellent case on a very difficult problem. I happen to feel that this amendment should be accepted unanimously, and it might be. If not, I hope when we have a rollcall vote that we would recognize and agree with the Senator from Tennessee who has a lot of experience in the particular field that he partially cited in his remarks.

I would like to ask the Senator from Tennessee if I might be a cosponsor of the amendment.

Mr. THOMPSON. I thank the Senator. I would be delighted.

Mr. BUMPERS. Will the Senator from Tennessee yield me up to 5 minutes?

Mr. THOMPSON. I am happy to.

Mr. BUMPERS. Mr. President, I want to profoundly thank the Senator from Tennessee for bringing this to the Senate's attention. I think the Members of the Senate did not realize an amendment was going to be required to do what he wants to do—return the contributions to the Presidential race where they were before. As the Senator from Tennessee correctly points out, it is one of the few things that has worked, in my opinion, perfectly around here. I am one of the people who happen to favor public financing of campaigns. We are the only developed nation on Earth that does not publicly finance campaigns. To me that is alien to most people in this country. They do not like that. But I can tell you that it would be the best investment the American taxpayer has ever made to finance senatorial and House races and the Presidential race. You take money. I do not want to be too caustic and cynical about this. But I can tell you, you are never going to get things the way you want them around here as long as the money plays the role it does in Presidential races, and certainly as long it plays the role it plays now in elections for the Senate and the House.

So I just want to compliment him to make sure we do not move in the wrong direction. I would like to think that at some point we will move in the right direction and publicly finance these so every Senator can vote without worrying about who he might offend that gave him money the last time. I do not mean that to be unduly critical of any Member. Everybody here has done it. It has become a requirement.

Let me just say one thing. In 1960, 70 percent of the people of this country said they had quite a bit of confidence in Congress. That was 36 years ago. At that time you could take $100,000 in $100 bills as a political contribution and never report it to a soul. You did not have to do anything. Put it in your pocket. And unless somebody caught you at it, it was perfectly OK. You could take a 2-weeks all-expense-paid vacation paid for by some lobbyist. There was nothing wrong with that. People who back home came into your office seeking favors, oftentimes Members of Congress would send them back to their law firm in their hometown and they split the profits of that law firm at the end of the year no questions asked. Nobody knew, and nobody the wiser.

You could take $100,000 in hundred dollar bills for making a speech, and nobody knew it. Nobody cared. And 70 percent of the people in this country thought Congress was doing a pretty good job.

All of a sudden, CBS discovered that you could make money off the news. So they developed ''60 Minutes.'' They put a little pizzazz in the show business end of the news, and you could make it profitable. And they did. And ''60 Minutes'' became the most widely watched show in America and the most profitable show CBS had.

Shortly thereafter, as the Senator from Tennessee alluded, the Watergate affair developed; scandal after scandal. From 1972 to 1974, until 1996, Congress has tried to reform itself all beginning with Watergate, and we have. We do not get much credit for it. But if you are looking for gratitude resign from the U.S. Senate.

What has happened? The ethics manual is that thick. Every Senator, if he has any thought at all about his future, keeps the Ethics Committee on auto dial. His secretary does. Now you have to report every dime you take in over $200. You report it faithfully. You do not make speeches for honoraria.

We passed a bill here, one of the best things we ever did, to make us comply with the laws that everybody else has to comply with. I can tell you a lot of people around here have found out that it was tough for the business community of this country to comply with the civil rights bill, EEOC, to comply with the Americans With Disabilities Act, to comply with the wage and hour laws. We have to do that now. And you have to file an ethics report, which every Member of the Senate did last week, showing every dime you have, where it is, how you made it, every stock you own, every acre of ground you own, everything. And after all of that, today 28 percent of the people have quite a bit of confidence in Congress.

On the one hand, you might say, well, what people did not know back then was good for them. But the truth of the matter is we did it and we did it right. There are about 500 Rush Limbaughs in the country. There are about 13 clones of ''60 Minutes.'' And so if you expect those people who are in the money making business to compliment you on the fact that the ethics manual is that thick, forget it. But it is the right thing. We pursued the right course. This body, this Congress is better as a result of having cleaned up our own act. The Senator from Tennessee is right on course when he says we do not want to go back to eventually having to finance the Presidential campaign with private contributions. It has worked fine, and again I applaud him for it. I wholeheartedly support it. I hope he will ask for the yeas and nays. I hate to see it adopted on a voice vote.

I thank the Senator for yielding.

AMENDMENT NO. 4015

(Purpose: To amend the Congressional Budget Act of 1974 to prohibit sense of the Senate amendments from being offered to the budget resolution)

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER (Mr. CRAIG). The Senator from Alaska.

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

I ask unanimous consent that we set aside the pending amendments, I think amendments by Senator BUMPERS.

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 Alaska [Mr. MURKOWSKI] proposes an amendment numbered 4015.

Mr. MURKOWSKI. 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 end of title III, insert the following:

SEC. . AMENDMENT PROHIBITING SENSE OF THE SENATE AMENDMENTS ON THE BUDGET RESOLUTION.

Secton 305(b((2) of the Congressional Budget Act of 1974 is amended by inserting after the second sentence the following: ''For purposes of the preceding sentence, an amendment is not germane if it states purely precatory language.''.

Mr. MURKOWSKI. Mr. President, I appreciate the attention of my colleagues. I have thought a lot about this amendment. First I thought perhaps making this the last of the sense-of-the-Senate resolutions on the budget resolution debate might be in order. But I decided that I would just go ahead with the amendment.

The purpose of the amendment is very straightforward. I am sure it would be welcomed by the managers of the bill. It is designed to expedite our proceedings under the Budget Act and ensure that the Senate debate on the annual budget is focused on substance rather than rhetoric. My amendment simply states that it shall not be in order for the Senate to consider sense-of-the-Senate resolutions during debate on the budget resolution.

I see a little grin from my friend who is managing the budget debate. I have been around here in this body for 16 years. I have engaged in numerous budget debates, and I believe as the years have gone by and as our debt has climbed—now it is above $5 trillion—there has been a little lessening in the quality of these debates. Perhaps it has been declining.

Now, the budget resolution, is supposed to lay out the framework for the authorizing and appropriating committees to meet their obligations under a reconciliation process. We establish ceilings for discretionary appropriations, and we direct the authorizers to change programs within their jurisdiction in an effort to establish what the fiscal priorities are and reduce, obviously, the deficit.

In recent years we have noticed a trend in the budget resolution debate that is a little disturbing. We seem to be getting more and more bogged down in so-called extended debate of the sense-of-the-Senate resolutions, and as we both know, Mr. President, these are resolutions that do not carry the force of law. They are resolutions that do not shift a single dollar from one program to the other. These resolutions merely politicize a budget process that is really creaking under the weight of unending, unlimited amendments.

A brief look at today's Senate Calendar indicates that there are as many as 80 amendments that we will be voting on beginning Tuesday or Wednesday. Of those amendments, at least 1 in 4, or some 20, are sense-of-the-Senate amendments. We have already voted on several such sense-of-the-Senate amendments and more are likely to come.

The sense-of-the-Senate amendments that are offered on these budget resolutions are structured with only one and only one purpose in mind. Let us be realistic. That is an opportunity for Senators on either side of the aisle, whether it be Democrats or Republicans, to develop ammunition to be used in some 30-second spot ad in the next political campaign. These votes are not about substance. They are strictly about politics, positioning, window dressing, and so forth.

This Senator from Alaska thinks that enough is enough. We ought to strictly limit debate on budget resolutions to the substance of spending. These amendments are what a budget resolution should be about, and we all know it. Unfortunately, when we begin voting tomorrow or the next day, we will be voting on a sense-of-the-Senate series of amendments that again will not shift one single dollar of spending and will not change a single word in a statute. Instead, these votes, which are merely political gestures, will be portrayed by the political ad merchants as votes cast for or against the poor, the elderly, the environment, the cause, whatever. And when all the dust settles late Wednesday night after we have allowed 30 seconds to 1 minute of debate on each of these amendments, nothing, absolutely nothing will have changed in a substantive sense except the records of all Members of this body will have simply been distorted.

Finally, Mr. President, I would note the irony in the fact that my amendment which would provide a real change to our budget process may very well be ruled out of order.

Consider, if you will, that Senate amendments that are not binding, sense-of-the-Senate amendments, are in order under our budget process, but real, substantive amendments can be ruled out of order. Is it any wonder that public cynicism of the Congress is at an all-time high?

Mr. President, I ask unanimous consent to make one further statement relative to the debate that I participated in with the Senator from Arkansas on asset sales. It would be simply to add to my remarks a point that I think we all have to consider as we vote on asset sales.

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

AMENDMENT NO. 4013

Mr. MURKOWSKI. Mr. President, with all due respect to my good friend from Arkansas, I think his interpretation has a little Alice in Wonderland quality to it. What he says, it appears, is if you have a piece of property, as an example, that you own, and you rent it out for $500 a month, and then, if you sell that property for $75,000 or $80,000 to pay off your debts, you cannot use the $75,000 or $80,000 to pay off your debts, but in fact you have to count the loss of the $500 per month rent as an additional debt. That just does not make sense. This is a result, if you will, if you adopt the amendment of the Senator from Arkansas. You will never be able to sell Government assets because it will not be counted as proceeds from the sale.

So I hope my colleagues will reflect on that.

I yield the floor at this time and ask my colleagues to consider the merits of abolishing the sense-of-the-Senate resolutions as they apply to the budget resolution debate.

The PRESIDING OFFICER. The Senator from New Mexico, the chairman of the committee.

AMENDMENT NO. 4015

Mr. DOMENICI. Mr. President, before the distinguished junior Senator from Alaska leaves the floor, let me talk with him just for a moment about sense-of-the-Senate amendments. There are pending 28 amendments, and 17 of them are sense-of-the-Senate amendments. That means that 17 of them have in no way changed the budget resolution. They do not say, ''Increase taxes to pay for some program the budget does not cover adequately.'' They do not say, ''Cut taxes because American families need tax cuts.'' They are just sense of the Senates.

I am going to address my remarks a little differently than the Senator. Frankly, it does not matter to me whether the sense-of-the-Senate amendments are politically motivated or not. I have come to the conclusion that when you have budgets on the floor of the Senate, there is a lot of politics. There is some very bona fide politics, and that is the parties' attempts to distinguish themselves and say this, essentially, is what we are for; this is what you are for.

But I have wondered since the very beginning, and I have managed many of these bills, whether the votes with reference to sense-of-the-Senate resolutions have had any significant merit in terms of changing how the budget ends up, how the appropriators end up spending the money. I have not asked whether these sense of the Senates have had any impact as people interpret them, but I am going to give you my own interpretation. I believe it is close to right, I would say, not over 1 percent have any impact. Some will come to the floor and say, ''Senator, we said you should maximize LIHEAP,

the protection for poor Americans who need help in their heating and gas for their homes and electricity. And because we said in a sense of the Senate it should be maximized or kept at last year's level, and it came out that way, therefore the sense of the Senate was effective.'' I would say it probably was coming out that way anyway, in my understanding of the appropriators' autonomy in this area in deciding how to spend the money, which is exclusively theirs. I do not think we have had much impact.

On the other hand, we have spent an untold number of the 50 hours of the debate talking to the American people as if these sense-of-the-Senate proposals are substantive and are meaningful. Let me venture a guess, with my friend from Alaska. There will be advertisements made in this next campaign which come right out of a sense of the Senate. It will not talk to the public that it is addressing, in the sense that this was just a sense of the Senate, one of these, ''Gee, we hope you do it,'' or, ''If everything is OK and comes out all right, we would like you to do it.'' It comes out as if something substantive was changed or not changed with that vote.

Frankly, I think it is time we come to our senses here and get these matters debated here in the Senate, not in manners that will be most difficult for the public to understand, confuse them, but rather as straightforward and as substantive as you can.

To that extent, I will stay here the whole 50 hours and gladly debate amendments that change the priorities in this budget which I have basically produced on the Republican side in coordination with House Republicans.

Having said that, I am going to support the Senator's proposal. There may be a little downside. But I am absolutely convinced the upside to it for both parties, Democrats and Republicans—for the Senator knows, if this becomes law it will clearly mean that when the Democrats are in the majority, we are not going to be offering 42—48—35 sense-of-the-Senate amendments, trying to set forth some feeling of ours that we want them to share or not share in a vote. But I believe overall it will be very healthy for budgeting if we stuck to budgeting and not to expressing our views about how something should be or should not be through sense-of-the-Senate proposals.

I commend the Senator for it. I think he has gotten to the heart of some of the problems. I submit we still have a huge number of amendments and we are going near—at 10 o'clock tonight we will have only 8 hours left on this resolution and we probably will have 30 or so, 35, and over half of them will be sense-of-the-Senate proposals.

Mr. MURKOWSKI. If I may thank the chairman of the Budget Committee?

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, as he so eloquently pointed out, this is somewhat of a charade. The American people assume that what we are doing here, debating at length, has a binding commitment of some sort. But sense-of-the-Senate resolutions, as the Senator from New Mexico stated, do not carry the force of law. They do not shift a single dollar from one program to another. I guess it is the contention of the Senator from Alaska that they politicize, if you will, this process. It is heavy enough now. As I stated, it is creaking under its own weight of unending amendments, one after the other.

So I encourage Members to take advantage of an opportunity. As the chairman of the Budget Committee pointed out, this works both ways. This simply says, in the future it shall not be in order for the Senate to consider a sense-of-the-Senate resolution during debate on the budget resolution.

I ask my friend from New Mexico how long might this process go on? It might go on for 50 hours, but we would have substantive debates on amendments that would change, if you will—a shift of dollars from one program to another; meaningful debate instead of assumptions that we are debating things that will never become law, that will be little more than a pretext, a window-dressing effort. And all without an explanation or an addendum of some kind to stipulate that this is nonbinding.

If we started every debate with an explanation of what a sense-of-the-Senate resolution was and at the end concluded with what it was, why, the American public would say, ''What are you doing? You mean you took 15 or 20 minutes on a sense-of-the-Senate resolution and it is nonbinding and does not shift a dollar, and then you reminded us again at the end that that is what it did? Why,'' they would say, ''what are you doing? You are simply wasting the Senate's time.''

So I encourage my colleague to reflect on the merits of that. I see we have another Member on the floor.

I ask that the yeas and nays be ordered on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. EXON. Reserving the right to object.

The PRESIDING OFFICER. This is not a unanimous-consent request. Is there a sufficient second? There is not.

Mr. DOMENICI. You will get your yeas and nays.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 4014

Mr. DOMENICI. I will yield in just a moment to my good friend, Senator EXON.

Could I take just 2 or 3 minutes on one other issue and then yield the floor? I think the debate on firewalls occurred. Let me make three points.

One, Senator BUMPERS said that outlays over the next 6 years for nondefense discretionary are only $1.6 trillion, and then he proceeded to compare that with defense discretionary and indicated that, obviously, there was too much money being spent on defense.

Everyone should know that the part of domestic spending that was spoken of at $1.6 trillion is only that which appears in the annual appropriations bills. If you put the rest of the domestic spending for all the other programs that are not there—that are entitlements, that are mandatory programs—then we put in perspective defense versus domestic because $7.4 trillion over the next 4 years will be spent for domestic programs, not $1.6 trillion, a tremendous number that is multiples of the defense budget, and that is how it should be. But it is not $1.6 trillion; it is $7.4 trillion.

So, 82 percent of all Federal spending over the next 6 years will be in nondefense spending. These are facts right out of the budget. There is no attempt on my part to give the Senate anything but the numbers that appear there.

Firewalls. Firewalls in the Senate budget resolution are a creature of concern for pressure being put on the defense budget. Whenever domestic spending is tightened, the temptation is to take the money out of defense.

At one point in the history of budgeting, perhaps as much as 7 or 8 years ago, or 10, the Senator from New Mexico came up with an idea that once you vote on the defense numbers in the budgets, that you had to use all of that for defense, and if you did not, you put the rest of it on the deficit; you did not spend it. The definition, therefore, of a firewall is, without a 60-vote majority, you cannot spend defense money on domestic programs.

I believe, as we attempt to whittle down the annual deficit, which will put pressure on domestic spending, that we ought to leave those firewalls up. We ought to be judicious and careful when we set the defense amount, but then we ought not subject it to the pressure of whether we should take out of it to spend for some program on the domestic side that we may not be able to fully fund. Maybe it is low-income energy assistance. If you cannot fund it totally, do you take some money out of what you voted for defense, or are you precluded without a supermajority?

So I think Senator BUMPERS' amendment ought to be defeated. For the next few years while pressure is on both defense and domestic, we ought to have the vote here on the floor on the budget resolution, and the debate with reference to defense be the final vote as to how much is available.

I repeat, we do not have to spend it all if the appropriators find for some reason it is not necessary, but we ought to then put it on the deficit and not turn these accounts into two lines blocking to see which one can take money away from the other part of this budget.

The Bumpers-Simon amendment would eliminate the firewalls between

defense and nondefense discretionary spending in the resolution for fiscal years 1997 and 1998. By eliminating the firewalls, this amendment exposes the defense budget to even deeper reductions to pay for higher domestic spending. Defense spending is the only category of spending that actually has declined over the past decade.

Firewalls have been a part of congressional budgeting operations this past year and from 1991–93. They have been an effective tool to help instill discipline in the budget process and to help enforce the spending limits Congress sets in budget resolutions. The amendment would simply enable backdoor cuts in the defense budget by permitting them later in the fiscal year, after Congress has set what it thinks are the ceilings for defense and domestic discretionary spending. The firewalls are now more important than ever. The reason is simple: The defense budget is under more pressure from domestic discretionary spending than ever before. We are already seeing several amendments in this debate to increase domestic spending either through tax increases or cuts in defense.

There are already too many cuts in the defense budget. Studies from CBO, GAO, and others show that there is already not enough money in the Clinton defense budget to support even the President's own force structure plan. As a result, aircraft, ships, tanks, and helicopters are aging beyond what even this administration believes is tolerable. Transfers out of defense will just make these and similar problems worse.

Mr. President, I urge Senators to vote against this amendment.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 4015

Mr. EXON. Mr. President, I yield myself what time I may need in opposition to the sense-of-the-Senate amendment offered by the Senator from Alaska.

The Senator from Nebraska has made several points today with regard to the sense-of-the-Senate amendments that are before the body that might lead some to expect that the Senator from Nebraska would jump at the opportunity that is being offered by the Senator from Alaska to do away with sense-of-the-Senate amendments.

Yes, the Senator from Alaska has offered an amendment to prohibit the sense-of-the-Senate amendments. OK, there is some validity for that argument. Sense-of-the-Senate amendments do not have, obviously, the force of law, as I have made the point on several occasions earlier today. But let us stop and think. If we prohibit them, what would be the result? Frankly, I do not think very much, because Senators would, as a substitute, offer small changes in dollars in a regular amendment with some very long statements of the purpose. There is no way, I suggest, to get out of such votes, whether they are sense of the Senate or not.

In a way, I will simply say as much as we all may find sense-of-the-Senate amendments a bother to deal with, the alternative may actually be worse. Sense-of-the-Senate amendments allow the Senate to let off steam on a particular subject without actually spending any more money or, even better, making more laws that have not been thought through. Sometimes that can be a useful thing just to let off steam.

If the Senate adopts the Murkowski amendment, this will be just another limitation on the rights of the minority. I will simply say that all of those years that we were in the majority, at least while I was here, the majority never tried to interfere with the rights of the minority. Therefore, while I am not accusing the author of the amendment of being devious, the facts are that sense-of-the-Senate resolutions all during those years when the Republicans were in the minority were used quite successfully to make points that they could not make in any other fashion.

So I simply say the minority should be prevented possibly from even changing any language, if we proceed as in the fashion as suggested by the Senator from Alaska.

I point out that this is a tradition in the Senate that has been around a long, long time. Maybe it is something that we should take a look at. Maybe we could expedite the procedures of the Senate, which I think we would all like to do. But let us pause for just a little bit. Let us discuss this for a little bit. As far as I know, there have been no hearings on this matter, which I think there should be when we are making such a fundamental change in the procedures of the Senate.

Let us talk. Let us investigate the pros and cons of taking the action that, as far as this Senator knows, just came out of the blue. Let us take a little time before we take this step that has been around this Senate and sometimes used successfully, especially by the minority, to make a point.

The reason that I made inquiry when the yeas and nays were asked for—I did not have a chance to state my objection then—I just wanted to say that the Senator's amendment is not germane, and at the appropriate time I will raise a point of order that the amendment violates the Budget Act, which would require 60 votes to proceed.

I simply say that this came upon us rather suddenly. We were not fully advised on it. I will raise a point of order at the appropriate time before the rollcall vote.

Mr. MURKOWSKI. Mr. President, if I may respond briefly to my friend from Nebraska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. While it may seem somewhat out of the blue, I think the point that 17 out of 28 are sense-of-the-Senate resolutions, that is what we have been confronted with. So the reality is, this is not something that occasionally comes up. And 17 out of 28 are sense of the Senates.

Whether we are letting off steam or gas, I think is irrelevant. The fact is, so much of our time is spent on something that is nonbinding that basically puts us in a posture where we are not doing anything constructive other than perhaps somehow evaporating in some manner.

Mr. EXON. It enhances debate.

Mr. MURKOWSKI. I really think there is a better use of our time on other matters. As a consequence of the propensity of the numbers, I think it is justified. And 17 out of 28——

Mr. DOMENICI. That is what is left, the ones left.

Mr. MURKOWSKI. The ones left. So if there is more justification for less steam and less gas, I do not know what it is. The Senator from Alaska yields the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I note the presence of Senator SIMPSON from Wyoming. We had an informal list, and he is next. I am just going to make a couple observations.

The public sometimes, at least the few that watch this on C–SPAN, must wonder what is all of this about? How come the U.S. House took the budget up, and in 1 day they had whatever votes they have, and now, look.

The Senator from New Mexico is clearly committed to the U.S. Senate. I do not want the Senate to become a House. But I should indicate that some who are wondering, ''Can't you manage affairs better over here?'' well, first of all, the U.S. House establishes amendments on the floor through a committee called the Rules Committee. So they have a committee in between that decides what amendments are going to be allowed on the floor in normal circumstances. There is a way to get around that but very seldom. So they sit and listen to the amendments and decide which two or three or four are going to be considered.

Everyone should know that while the Senate is different from that, and different in two ways that we are very proud of—one is that there is great freedom of amendment on the part of Senators. That is the Senate. You can offer amendments in ordinary legislation. You can offer them. They do not have to be germane. They can be irrelevant. If you want a vote on stopping a war on a bill that is funding education, the Senate lets you do that. It is one of the great strengths of this body.

Mr. EXON. Or weaknesses.

Mr. DOMENICI. Or weaknesses. Some say it is a strength because it is the greatest parliamentary body in that regard in the world. But this budget resolution changes all that. It says you can

only take 50 hours on this bill. You cannot filibuster it.

The other quality of the Senate that is unique, you can talk forever until a very compelling majority says you have to start using less time, breaking the filibuster.

This bill cannot be filibustered, this resolution nor the bills that flow from it, because it is very special and important to the public that we get it done. So in that 50 hours there are going to be debates. The Senator from Alaska is not talking about reducing that. I will tell you the truth, I have thought from time to time that it was really too long, even though it is limited to 50, it is too long. We get to repeating ourselves down here.

If I look at this list, many of the sense of the Senates are very close, one to another. We do it over again, over again. It could be lower, incidentally. The bill itself that created this law, this resolution, says if the Senate, by a simple majority, wants to reduce the time, they just vote. That vote is not debatable, that amendment. So if the Senator and I thought we were wasting time and we ought to do it in 20 hours, we could move that, and it would be only 20 hours.

But I believe when you are limited in time, that you ought to use it in as substantive a way as possible. This amendment is not going to pass, the Murkowski amendment. It is subject to a point of order. Clearly, it has to go to the Budget Committee for its formal hearings.

But I commend him for making a point. The point is not going unnoticed by Senators from both sides of the aisle. It is not going unnoticed that both sides are using the sense of the Senates, which are not binding, to get down here and offer matters that they probably could offer nowhere else, could not find a vehicle to offer it on, even though it is not binding and changes nothing.

It is in that context that I commend him. But sooner or later this Senate is going to get very upset, more upset than it is today about what occurs during this 50 hours. When they get upset enough, you know, something else beyond precluding sense of the Senates is going to happen with the budget process. I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I know the Senator from Wyoming is here. I will just be very, very brief. I will just respond, if I might. I also thank the Senator for bringing this up. I am not saying this is a bad idea per se.

I say two things. First, I do not believe that we should make such a dramatic change without hearings or discussions. I have said before, there are some problems with sense-of-the-Senate resolutions.

I will make the point of order, which I hope will be sustained. I will be the first to say maybe we should discuss this. I simply say that I pointed out in my statement that I am fearful that if we would proceed as has been suggested here, that Senators, being very ingenious, would come up with another situation and we would have sense of Senates without having them called sense of the Senates.

With regard to who benefits from or who is handicapped with sense-of-the-Senate amendments, I think I can say very forthrightly, Mr. President, when you are in a majority, you do not like sense-of-the-Senate amendments and you wish that the 50 hours would be cut to 15. When you are in the minority, your views change very dramatically, I might say, and you think that 50 hours is not enough. But I say, speaking for the minority, and I hope the majority, of the Senate, that while I would agree we should take a look at this, I do not believe we should take action to that effect as suggested by the Senator from the great State of Alaska. I thank the Chair and I yield the floor.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Certainly this is not obviously the most propitious time to come here, just wandering in from my post in the Dirksen Building, to find that this spirited debate is being participated in by my friends. I have just come to the floor on behalf of my fine, bipartisan party crew of Senator KERREY of Nebraska and Senator HANK BROWN of Colorado and Senator SAM NUNN and Senator ROBB and myself to place before the body nothing more than a sense-of-the-Senate resolution—which that type of resolution has taken certainly some heavy abuse in these last moments.

However, in regard to everything we do here, if everybody else is doing it, I get to do it. Therefore, with regard to Senator MURKOWSKI, I hope he will repair to his chambers until I finish mine. That would be perfectly appropriate.

I was trying to think of a new name for it. Mr. President, SOS. That is what it is, an SOS—sense of the Senate. It means I could not get this handled in committee; nobody will vote for it in any other way. I thought I would SOS the thing out to see what would happen to it, kind of throw it up on the pole, and then people can say when they get home, ''Well, I voted for it, but it was just a sense-of-the-Senate resolution,'' getting you off the hook, or you voted against it, saying ''Well, it was just a sense-of-the-Senate resolution.'' Thus, it is something that enables you to get off the hook.

So it is. But my friend, FRANK MURKOWSKI, is right. So is Senator DOMENICI and so is Senator EXON. They really get to the point of wretched excess. But they bring before the body issues which do not seem to find their way into any other niche. I think sometimes they become, especially in foreign policy, they become quite dramatic.

I can remember being in other countries and suddenly one of the emissaries of that country will come up and say, ''Why does your U.S. Senate vote to do this to our country?'' I will say, ''I am not aware of that.'' They will say, ''Yes, here is the rollcall vote''—a sense-of-the-Senate resolution, usually at 2 a.m. in the morning, maybe 11 o'clock at night. We see them in the Cloakroom. We come out and we pass a sense-of-the-Senate resolution that is usually best described in foreign policy as ''totally meddlesome,'' usually about religion or whatever they do in their own culture. It passes 90 to zip, or 95, and we know not what we do on those.

This is about domestic policy, and we know what we do. You will not want to do this if you think about it because this sense of the Senate is about the entitlements, the eternal discussion, the eternal plea, ''Well, if we could just do something with the entitlements.'' I tell you, if we could, we would solve all of the problems of this fine chairman, PETE DOMENICI, and his ranking member, JIM EXON, who have solved them all because we are in a situation where none of us in this body even vote for 67 percent of the national budget—do not cast a single vote. It all just ''goes out,'' automatic pilot.

AMENDMENT NO. 4016

(Purpose: To express the sense of the Senate on long-term entitlement reforms)

Mr. SIMPSON. I send an amendment to the desk with regard to long-term entitlement reform.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON], for Mr. KERREY, for himself, Mr. BROWN, Mr. NUNN, Mr. ROBB, and Mr. SIMPSON, proposes an amendment numbered 4016.

Mr. SIMPSON. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE SUPPORTING LONG TERM ENTITLEMENT REFORMS.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that—

(1) effective January 1, 1997—

(A) the age for eligibility for civil service retirement should be increased to—

(i) 60 years with 30 years of service;

(ii) 62 years with 25 years of service; and

(iii) 65 years with 5 years of service; and

(B) this proposal should not apply to anyone currently or previously employed by the Federal Government as of January 1, 1997:

(2) effective January 1, 1997—

(A) the age for eligibility for military retirement benefits for active duty personnel should be increased to 50 years of age with benefits reductions for personnel retiring before 50; and

(B) this proposal should not apply to anyone currently or previously serving in the United States military as of January 1, 1997;

(3) effective January 1, 2000, the age at which a person is eligible for medicare should be gradually adjusted to correspond

with the age a person is eligible for normal social security retirement;

(4) there should be a COLA for only that portion of individual civilian and military pension levels that do not exceed $50,000 per year;

(5) the eligibility age for social security retirement should be gradually adjusted to 70 years by the year 2030 in 2 month increments;

(6) workers should be allowed to divert 2 percent of their total payroll tax into their own personal investment plan as long as there is no effect on the solvency of the social security program;

(7) the consumer price index should be reduced by .5 percentage points so as to more accurately depict the cost of living.

Mr. SIMPSON. Mr. President, my colleagues will be over momentarily to debate this and discuss with you, but let me just say I feel this amendment is extremely important to help to establish the greatest credibility for this balanced budget resolution. This resolution already represents a tremendous, laudable effort on the part of the Budget Committee chairman. No one does this with greater energy and dedication than Senator PETE DOMENICI and Senator EXON. They have done so much.

This is the work product we will soon vote upon. I believe we can make the effort a bit stronger, a bit more credible, by expressing in this resolution how we intend to make good on the promises that it contains. All of us have heard the directives leveled at the President's budget and on the budgets offered by the Republican majority for deferring too many of the ''tough decisions'' until future years, leaving them to future Congresses and future Presidents.

We have a great tendency here to want to take credit for setting up a balanced budget path, but not to enact any of the tough choices. We all do it. I do it. We all do it. We will not do the tough choices right now which would give any force or effect to those aims. So we could easily wind up in a situation we could have a balanced budget in the year 2002 but it explodes again into massive deficits afterward. Or quite likely we might not get there at all, even in the year 2002, because we leave too many ''tough calls'' to that Congress legislating those last few years. We have all been through that process before and we know how it goes. We sure do. It goes nowhere.

If we are going to make good on the promises of balancing the budget, I believe we have to make the choices which once made now will produce significant savings in those distant years. This resolution attempts to put the Senate on record with respect to the central factors which caused the explosive growth caused in this Nation's entitlement program. Those factors, my colleagues, are population aging, the compounding of generous cost-of-living allowances, COLA's, and our total failure to structure our Nation's pension systems, Social Security systems, to generate real savings and economic growth.

This issue of eligibility ages for retirement benefits is a serious one. This is one we cannot duck. This country is aiming at a tremendous rate. Recently we did away with much of the Social Security earnings limit for seniors who work. That has been discussed heavily today. We did that because we recognize that America is growing older gracefully. People can work longer and be productive longer. We find that very easy to do when it comes to handing out benefits, or perhaps I should say, shoveling out benefits, regardless of your net worth or income, you get it.

At the same time, we are not dealing with population aging as far as it affects the amount of time which people are spending collecting retirement benefits. That failure is driving the Federal deficit, the Social Security system and the Medicare system to absolute extremity. If we ignore that one, I can assure you we are dooming today's young American worker. When we started a few months ago, Medicare was going to go broke in the year 2002. Then we shaved it a little, broke in 2001, and now we say 2000.

With Social Security, we do not even touch that. We are not supposed to utter the word or crawl under your desk and try to get out of the building before the AARP detonates your chair. That is where we are left. If they do not detonate your chair, the great deed will be reported by Martha McSteen and her crew, or perhaps by the Gray Panthers, who will lob over types of explosive devices.

That is what we get out of this debate. Do not touch CPI. Do not touch this. Do not touch that. We will fix it some day, but we will not fix it now. When we do fix it, we know there are three ways to go: either you reduce the benefits of that system, you increase the payroll taxes, or you borrow more money. That is the subject of another debate. Do not think that my colleagues and I are leading you down the path of Social Security long-term solvency reform. We are not that dazed.

So, we are going to have to phase in these changes. We are saying in this resolution that we will make the gradual changes in eligibility ages to bring some realism to them, that we should phase in the changes over generations to give Americans ample time to prepare for the changes.

Consider what it means to be a young worker today to retire on Social Security at the age of 70. Hear this one. Today's 26-year-old will turn 70 in the year 2040. Guess what? If we do not make changes, Social Security will be bankrupt a full decade before then. Who will be hurt by asking the worker to wait until the age of 70? Certainly not that young worker. That is the only way he or she stands to collect one single nickel. Today's retirees would not be affected one whit.

This debate has been polluted by seniors who continue to raise hob with us who will not be affected in any way by what we are doing. Anybody over 51 might get a little ding and anybody over 55 is not going to get a ding at all. They are the ones that show up all the time. I think it is not very seemly.

Another provision in this resolution should be a cost-of-living allowance only for that portion of civilian and military pension levels that do not exceed $50,000 a year.

This is an extremely modest gesture. Indeed, I personally have concluded, after years of study and my service on the Entitlements Commission with Senators KERREY and DANFORTH, that we have to take a harder look at these COLA's than that—not only within the Federal employee COLA's, but also our own COLA's regarding Congress and within Social Security. But this provision in our resolution does not even suggest that we deal with Social Security COLA's at all. It is an extremely tentative step, which I feel represents a bare minimum of what this body should support.

Let me just say that we talk of COLA's and limiting it to the first $50,000 of a retirement pension. We do not mean that people with pensions greater than $50,000 will get no COLA at all. They will still get a COLA no matter how large a pension they are receiving. We simply suggest that the cost of living for an individual with a $100,000 pension is not really any higher than that individual with a $50,000 pension. So the wealthier individual should not be getting a greater cost of living allowance. If you go out in the land and ask them whether Federal employees with $50,000 pensions in retirement are able to keep up with the cost of living, I can assure you most Americans will say that they are and give you a horrid horse laugh in the process.

Only 6 percent of the people in America, while they are working, make over $60,000 a year. Here we have a figure that we probably will have difficulty dealing with some of the senior groups about. But that is part of the problem. The sooner the American people realize it, the better off they will be.

Finally, the key provision in this resolution says that workers will be allowed to divert 2 percent of their total payroll tax into their own personal investment plan, ''as long as there is no effect on the solvency of the Social Security program.'' That last part is a key phrase because no one who votes for this can fairly be accused of attacking the ''solvency'' of Social Security.

In fact, quite the contrary is true. The President's own Advisory Council on Social Security Produced a series of recommendations about how to actually guarantee the solvency of the Social Security program, and more than half of the Council suggested that some form of personally owned investment accounts must be part of the solution.

So there are a variety of reasons why that is so. One is that all conventional solutions to the solvency problem tend to hurt the very people who stand to get a ''raw deal'' from Social Security—today's young workers. Already,

today, they stand to get a ''negative return'' on their Social Security, as compared with the bonanza enjoyed by today's retirees—and that is so even if the system remains solvent. In order to keep solvent via ''conventional'' solutions—raising payroll taxes, delaying retirement ages, cutting benefits, all of it, borrowing money—the deal for these young Americans gets far, far worse.

I will let my colleague from Nebraska speak further with regard to the personal investment plan, which he and I have been talking about for a long time.

Somewhere along the line, we have to see people saving, let them know they own these plans, and that their heirs can inherit it. The Government cannot ''get to it,'' or spend it. Hopefully, we can get away from the old adage that this Congress steals from the Social Security fund and that we pillage the fund and rip, unravel, and ruin all the things that go with it.

Ladies and gentlemen, there is no fund. There is no trust fund. It is a great stack of IOU's. You know it, I know it. The trustees of the Social Security system know it. It is a huge ''trust fund'' consisting only of T-bills, mere ''promises to pay,'' that the Government will raise the money at some distant future date through general revenues—not from such trust fund, but from general revenues, and we have an unfunded liability in Social Security of $8 trillion. So here we go.

I commend my friends, Senators KERREY, BROWN, NUNN, and ROBB, for their fine work. We have been in this a long time. I think the first time we got 18 votes. The second time we got 27 votes. The last time we got 43 votes. This time, it will probably drop like a rock. But we are going to keep coming right back. Maybe we can get to where we can see that the American people see this as a vital vote for the Senate. It will reveal much about whether or not we are truly serious about facing up to the long-term problems facing this country. I hope we might send that message even in the form of a resolution that we can indeed be trusted to deal with these long-term challenges, regardless of the response from the special interest groups whose sole function in life is to terrorize people so they can pick up the dues money. I am tired of those people.

That does not mean that you should not stay at the Westin Hotel for $70 a night instead of $140, or not take advantage of all the airline discounts and rental car discounts. But whatever they send you about legislation, toss it, give it the deep-six, because every bit of it is further destined to bring this country to its knees. I do not understand that philosophy, unless they have no children or grandchildren. To those who are going into the 21st century, I intend to be right there with them. But in the year 2030, tap on my box and let me know how it is going. Right now, it does not look too good.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, I cannot say that I look forward to tapping on Senator SIMPSON's box in 2030. But I am enthusiastic about cosponsoring this resolution with him. One of the most difficult things to learn in life is that you are wrong. An awful lot of us—and I certainly arrived here in 1989 thinking the problem of eliminating the deficit—which was, I believe, $270 billion, or something—was going to be a relatively easy transaction, that we just needed to get rid of waste, fraud, and abuse, cut congressional pay, and all the odds and ends that you hear a lot, that it was going to be a relatively easy transaction. Then I started to listen to two Senators who, every year, came down with an amendment to the budget resolution—Senator NUNN of Georgia and Senator DOMENICI of New Mexico. They came down making this argument for reform of our entitlement programs.

I must say I voted against them the first time it came up. I think they had 12 or 13 people who voted for it, and it kept getting larger. Eventually, by presenting the facts they persuaded me that looking for an easy solution, as I said, like waste, fraud, and abuse, and other odds and ends, was not looking in the right place.

Basically, if you want to balance the budget, or, as important, if you want to restore some balance to the expenditures that we make in this country, taking us back to a point where we can say we are endowing the future with investments in education, transportation, and other sorts of things, then you have to change current law to affect the proportion of our budget that goes to entitlements. One of the pieces of misinformation perpetrated in this country is, A, we are broke, which we are not; the Nation is wealthier than any other on Earth. Our Nation is wealthier than at any point in the history of our country. We are wealthier than we were in the 1980's, 1970's, 1960's, and 1950's.

The proportion of taxes collected and used for Federal expenditures is about the same as in the last 50 years. It went up end of the 1920's, and during World War II, and then the same during the Vietnam war. It is roughly 19 percent. What is changing dramatically is the percentage of that 19 percent that goes to entitlements versus what goes to those investments in our future. In this year's budget, it is about 67 percent. It is drawing to 72 percent at the end of the 2002 period.

When the baby boomers start to retire—and demography is doing this, and there are 77 million baby boomers. This is not caused by Ronald Reagan, or conservatism, or liberals, or anything like that. It is caused by demographics. There are 77 million in the baby boom generation—the largest generation in the history of this country. When they start to retire in very short order, approximately 2013—unless we interrupt it with this kind of change—what happens is the entire Federal budget is converted to transfer payments. You cannot cut welfare enough, and you cannot cut all the other mandatory programs enough to be able to make up the difference.

So this country will have gone in a span of approximately 2½ generations, or about 45, 50 years, from a point where 70 percent of the budget was taken up for investments in space, investments in transportation and education, all those sorts of things that do produce a long-term benefit; 30 percent for entitlements and interest, will have gone from that point to a rather balanced approach, where 100 percent of it will be transferred for current consumption, and will not be good for the future or for the economy. We know, looking at the numbers, that at some point we have to interrupt that trend. The only question is when.

When we collectively say, ''I wish it were otherwise, I wish it was an easier approach, I wish what Senator NUNN and Senator DOMENICI have been talking about all the way through the late 1980's and the 1990's—I wish they were wrong,'' they, in fact, were not wrong. They were right.

This proposal tends to do something that is actually relatively modest. Those who will describe it as Draconian—as the senior Senator from Wyoming has said, AARP has already indicated that they are going to describe an adjustment in the CPI as Draconian—I remind my colleagues that we did not have a cost-of-living adjustment until 1973 after Wilbur Mills, who was thinking about running for President, enacted a back-to-back 20-percent increase in the payments for Social Security. After that occurred in 1970 and 1971, along comes the need to restrain the Congress. The COLA took place as a method of restraint in the initial days. Now it is considered to be sort of a sacred item without any regard for how it might adjust in an unfair fashion, without any regard for how it might, in fact, not bear resemblance to what is going on in the individuals' lives who are receiving the payment, and, most particularly, Mr. President, without any regard for what is happening for those people who are paying for that COLA; that is, to wit those individuals in the work force whose wages are taxed at 15.4 percent in order to provide not just a COLA but the income and the payment for the hospitalization under Medicare.

Mr. President, I have come to the floor to talk specifically about the CPI. The two biggest proposals, the ones that produce the biggest benefits out in the future, are the adjustment in the CPI down half a point—you can see it is a $35 billion annual savings by the time you get out to the year 2003. I just challenge anybody to come up with a list of $35 billion worth of cuts in the appropriated accounts. Make a list of $35 billion and explain that to people who will be adversely impacted by this. Ask them: ''Do you want to cut defense by $17.5 billion? Do you want to cut the

Department of Energy, or the Department of Transportation? Are these the things that you really want to do?'' Because unless you are prepared to walk to the floor—and some are; there are still a few left who will want to come down to the floor and say, ''Americans are undertaxed. Let us raise their taxes to be able to get the job done.'' You have to come to the floor to propose some offsetting cuts to be able to make up this kind of money, $35 billion in the year 2003. These years, as everybody with gray hair like mine will tell you, go by just like that. That 6- or 7-year period of time will be gone in a hurry, and we will be wondering as we stare 5 years into the future and see the baby boomers coming on line why we did not do it in 1996 when it was easy. Understand that it will never get easier than it is right now to make these kinds of adjustments. It only will get harder. Every year we wait these kinds of adjustments get more difficult.

The second big item in our proposal is adjusting the eligibility age for retirement to 70 years. I caution citizens who are watching this. I am not talking about either current beneficiaries who are retired, nor am I talking about beneficiaries who are over the age of 50, nor am I saying that you have to wait until you are 70 to retire. That is not what Social Security is. It does not dictate that you retire at 65 or dictate that you retire at 67. What the program does is say this is when you are eligible.

Many of our citizens, in fact, wait now to take a later payment knowing it is going to be larger because they have managed to save money. They have managed to save money. They have a private pension. They have private savings. They wait. They delay the eligibility for this collective payment to age 70 right now. This does not affect any current beneficiary. It does not affect any beneficiary over the age of 50. Most importantly, it does not affect the age at which you can choose to retire, if you regard Social Security as a supplement.

One of the problems we have with this program is it began as a supplement, and increasingly we have been telling people it should be regarded as your only source of retirement income. The more we say that to people, the more we encourage people to regard Social Security as their only source of retirement and the less likely it is that we pay attention to what is going on in private pensions and pay attention to other Federal law that needs to be changed in order for people to accumulate that supplemental income.

When Social Security was started in 1935, normal life expectancy was about 60 years of age. The normal eligibility age when this program began was age 65, 5 years after normal life expectancy. It took 1 percent of wages to meet that promise. Today normally life expectancy is 76 with the promise in payments beginning at 65, and the life expectancy by the time you get out to this point—actually this point here—life expectancy is forecast to be at 80. That does not take into account the possibility that you are going to have a decreasing number of people who are smoking and decreased mortality as a consequence and increased life expectancy. All sorts of things could happen in this crucible of good news that happens every single day. We are discovering new ways to prolong people's lives, to enable them to live longer, and for many people they are now discovering that they have the glory of living longer with the difficulty of trying to figure out how to pay the bills over that period of time.

So the second big change in adjusting the eligibility age for these collective payments is 70 years. You can see, Mr. President, again the kinds of future savings—nothing in the year 2000 because this thing is phased in. I say that because my mailbag fills up every time I talk about moving the eligibility age. It does fill up for people who are 35 or 40 years old, or even 50. It fills up for people already retired. ''Gosh, are you proposing something to reverse the eligibility age and take something away?'' The answer is no. What we are trying to do is accommodate this enormous generation that is going to begin to mature in the year 2008, or 2010 depending upon how you calculate it. Moving the eligibility age for Social Security generates tremendous savings.

Again, I just challenge colleagues. If they do not like this, imagine yourself out here at 2010 coming up with 2.5 billion dollars' worth of cuts because you have to do that. We are not going to be able to have these bake sales that we have been having in the last couple of years. We do not want to raise taxes. We do not want to cut entitlements. As a consequence, we sell the spectrum. How many times have we sold the spectrum? I mean, I have said facetiously that maybe we should call Disney and see if they want to convert the mall into a theme park. At some point you run out of assets to sell. You have, if you are not willing to come down and propose a tax increase, to get it out of entitlements.

Mr. President, let me add briefly—other Senators want to speak—that the CPI adjustment is an entirely fair and appropriate thing for us to do. It is justified by economics, if you look and examine what the CPI is supposed to cover. It is justified most importantly by the fact that, if I do not make this adjustment, I have to get it out of the hides of people who are out there right now struggling to pay the cost of education and struggling to pay their property taxes.

It is remarkable if you look at the State expenditures on people in the age group 5 to 18 that are in our primary and secondary school system versus the expenditures that we make on people over the age of 65. I am not trying to set up generational warfare here. There is strong generational commitment for these programs and intergenerational commitment. Social Security is perhaps the most popular program in the country. We are not trying to set up generational warfare. We are just trying to present the facts. The facts are that we are spending on a percentage basis less and less on education and our children and more and more on our seniors. As I have said, we have not seen anything yet. Wait until the baby boomers retire and the number of people working per retiree drops to 2 to 1. Justified by economics, justified by budget considerations, and justified by any American who wants to see this country become and remain hopefully an endowment rather than an entitlement society.

Of all the things I hope this amendment does, the key amongst them, to me, is I hope that it presents an opportunity to change the terms of this debate from one of blasts being fired back and forth across the aisle between Republicans and Democrats. The facts of the matter, I believe, call upon us to come and say, ''Let us just present the truth to the American people.'' They may not like the truth any more than thousands of us who have discovered it.

But in presenting the truth, let us not try to level the playing field. Give the American people the facts. In my judgment, they will level the playing field themselves. To continue to perpetuate a myth that all we have here is a paid-up system and have no problems and no adjustments are needed and we can solve this deficit by eliminating waste, fraud and abuse and all the other sorts of things we talk about, Mr. President, we are going to pay a very big price for it. I hope that we are able to muster a majority for this amendment. Those of my friends who have looked at this thing who are not perhaps as politically foolish as I, say you cannot survive this kind of vote. I do not believe we can survive the absence of this vote. I believe very much, like the votes on the Nunn-Domenici proposal, the more people examine the facts, the more they look at the truth, the more they will say, ''God help us if we do not change the law in this fashion.''

Mr. President, I yield the floor.

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

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, I rise as a cosponsor of the pending amendment, which simply expresses the sense of the Senate that adjustments be made to the eligibility criteria for certain Federal benefit programs. It would also permit individuals to designate a percentage of their payroll taxes to a private investment plan, and it would make an equitable adjustment to the Consumer Price Index.

I commend my colleagues for their work on this particular amendment. I commend them for their candor. This

could be the most important matter that we pass this Congress, if we pass it.

This amendment would extend the civil service retirement age for future Government workers but affect no current Federal employee. It would extend the military retirement age for future enlistees but affect no current sailor, soldier, airman, or marine. It would limit civilian and military COLA's to the first $50,000 of retirement income but eliminate COLA's for no one. It would gradually track Medicare eligibility with Social Security eligibility. It would extend the retirement age for Social Security but affect not a single American who retires in the next 16 years.

The pending amendment would also allow individuals to designate a percentage of their payroll taxes to a personal investment plan, if there is no impact on the solvency of the Social Security system. This ought to engender in our children and our grandchildren a greater sense of confidence that they are going to get a return from their investments when they retire.

We face an explosion in entitlement spending not just because we have promised too much to too many—we do, of course—but principally due to simple demographics. Our people are living longer and the great baby boomer generation is getting closer to retirement. In 1940, the average woman in America who retired at age 65 received Social Security benefits for 13.4 years. By 1995, women and men were living much longer, and the average woman retiring in 1995 will receive 19.1 years of Social Security or nearly 6 more years of benefits because the retirement age remains unchanged at 65. In 1950, seven workers supported each Social Security beneficiary. By 1990, there were just five workers per beneficiary. By the year 2030, there will be fewer than three workers per beneficiary.

We all know the statistics. By the year 2012, if no changes are made, entitlements and interest on the debt by themselves will consume every single dollar the Federal Government takes in. This stifles our ability to invest in our Nation and protect our most vulnerable citizens, and it does not have to be. Small steps today can save billions tomorrow, billions of dollars of debt we will not leave to our children—the ''baby bust generation,'' as Pete Peterson calls those who will inherit our debt.

So I urge my colleagues to support this amendment. Otherwise, the day will surely come when we will have to explain to our children why, when we could have made a difference, we failed to enact entitlement reform, as modest, as fair, and as justified as the proposals contained in this amendment.

These kinds of choices are never easy politically, but they just get tougher as the problem becomes more acute. Now is the time to act if we are going to act responsibly. Courage, colleagues, it will attract attacks from just about everyone, but it is the right thing to do, and I commend my colleagues who have worked hard for giving us the opportunity to do the right thing.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. I yield myself such time as I may consume.

Mr. President, for those from my generation, they will recall the name of James Dean. Some will recall him as a movie actor, others as a model for a generation, or at least a portion of a generation. He was a free spirit by anyone's description. Some folks may recall a drag race in one of his movies. The drag racing was popular at a time when young Americans fell in love with their cars, which has been for much of our history but, following World War II, gained strength and power.

In the particular scene of this James Dean movie, he and another fellow line up their cars at a cliff overlooking the ocean, and they race toward the cliff, both accelerating as hard as they can. Of course, the contest is to see who can get ahead and stay in there the longest without turning away from the cliff.

One can see that this is not long-term planning. It did fit the particular egos of the characters involved. Some may think that is fanciful. Surely, no rational person would point their car toward a cliff and accelerate. Some would say, ''Well, they didn't believe a cliff was there.'' But, of course, no one who was in that gang in the movie was under the impression the cliff was not there. They knew very well it was there. It was part of their ego, part of their image to show how brave they were to accelerate the cars as they moved toward that cliff.

Mr. President, if somebody can find a better analogy, I would like it hear it. There is not anyone in this Chamber, I do not believe—and perhaps Members listening in their offices will come and correct me if I am mistaken, but I do not believe there is a single Member of this Chamber, liberal, conservative, Democrat or Republican, who does not think we are heading this country's economy off a cliff. I do not mean just unpleasantness, I mean absolutely running the economy off a cliff.

A few years ago, the President appointed a long-term entitlement commission—the Bipartisan Commission on Entitlement Reform—to study this question. They looked at the potential problems and opportunities for entitlement programs. Here are some of the numbers from the Commission's final report that outline the problem. If they do not amount to a cliff toward which we are moving this country, I hope someone will correct me and let me know what they do mean. The deficit as a percent of gross domestic product, of what we produce, was at roughly 2.3 percent by 1995. The Commission forecast that this figure would increase to 2.5 percent by the year 2000 if changes are not made, if we do not address the problems of the entitlement spending. This figure more than doubles by the year 2010 to 5.9 percent of our GDP. It almost doubles again by the year 2020 to 11.6 percent and by the year 2030 to 18.9 percent.

What do all those numbers mean? It means almost a fifth of our GDP will be in deficit. It means that we will have astronomical interest rates and rising inflation as we attempt to borrow that much money each year from the economy. It means the accumulated deficit will swallow the future of our children and grandchildren.

No one could say that we are going to run the car off the cliff, but if you point the car off the cliff and you push on the accelerator and you guide that car towards the cliff, and if you do not do something to stop the car, it is going to go off the cliff. That is where this Chamber is right now. We are playing a game of chicken. Each side says we are not going to turn back. Of course, we all know of the need to reform Medicare, but we sure do not want to get blamed for turning away. We do not want to get blamed for making adjustments in the rate of growth of Medicare. So the race toward the cliff continues.

No one can claim that this race to run our economy and our country off the cliff is good policy, and no one can claim that running our Nation off the cliff shows how much we care, because the fact is, to continue on the road we are now shows exactly the opposite. To refuse to reform Medicare, to refuse to look at the Social Security Program and make lasting changes that make it solvent, shows not ''caring'' but the absence of caring—a gross, callous disregard for our children and our grandchildren and the future of this Nation that we love so much.

There is one more thing I ought to mention. Because the Bipartisan Commission has used estimates, anyone who has looked at congressional estimates over the years, I think, has to be struck by one fact: Our estimates have proved consistently too optimistic. We put out 5-year reports on the future of Social Security. The Social Security trust fund trustees produce these reports. They are remarkable documents. They project the assets involved in the fund and the earnings from interest and so on. They project future payouts. There is not a single one, not one of those 5-year reports from the Social Security trustees, that has not been overly optimistic.

No one expects you to be able to forecast the future with exact numbers. We would be foolish to think that any of these are engraved in stone or designed to come true without changes. But you would be foolish to look at these numbers and not understand the background that, consistently, we have

been too optimistic. We have not been overly pessimistic; we have been overly optimistic.

The estimate that roughly a fourth or fifth of our economy—without changes taking place—will be consumed in deficits each year to the year 2030, is almost certainly too optimistic as well. If we do not make changes and adjustments, the skyrocketing deficit will be worse than this projection.

Here is an interesting fact Social Security trustees put out in their report. They used to do an actuarial soundness test. Actuarial soundness tests are important because any program in this country is required to be actuarially sound. If it is not, what you are in effect doing is selling people insurance that you do not have the ability to pay off. In the private sector, if you do that and sell it on that basis, you are subject to suit and perhaps even imprisonment. It is a called fraud.

What are we doing with these programs? We have them designed in a way so they will become insolvent or go bankrupt. The facts are very clear. By the year 2013, the long-term report indicates that Social Security expenditures will exceed the FICA tax. By 2013—that is not very far from now. By 2024, they will exceed not only the tax, but all the interest income as well. By 2029, the estimate is the trust funds will reach total exhaustion. That is, we are insolvent.

The Social Security Program is heading toward a cliff, and to refuse to make adjustments or changes will destroy Social Security, not save it. This amendment is about saving Social Security, saving our entitlement programs and making them work, as well as investing in the future of our country.

Anyone who does not believe we need fundamental changes in where we are headed now, please come to this floor and debate it. The projections of the Commission indicate, as my colleague from Virginia just pointed out, that by the year 2012, if we do not change, you can literally eliminate all money for Department of Justice and eliminate the Army and the Navy and the Air Force and the Marines, you can eliminate all costs of Congress, you can eliminate all costs in our discretionary programs, and still not have enough money just to cover the entitlement programs.

There is not anybody here who is willing to vote to eliminate all of those programs we just mentioned. Trim them back, yes, I think we should. There are a lot of programs we can and should trim back. But even if we eliminate every one of them by the year 2012, we are not going to have money to meet our entitlement obligations and meet interest.

It is a nondebatable fact that we have to make adjustments in these programs if this Nation's economy is to survive and thrive. It is a fact that we will be unable to fund these programs unless we make dramatic changes.

We can wait until that car is on the edge of the cliff before we apply the brakes, or turn in a different direction. I suppose that is one thing that some Members of this body will want to do, but I do not think anybody thinks that is good policy. A couple of things will happen. One is it will be much more difficult to solve the problem. Two, it is very likely such attempts will be too late.

This amendment is very simple. It is very modest. It is not at all draconian. What it says is, we see the danger and we want to make a modest adjustments so we do not have the kind of problems that lie before us.

The Commission vote, I think, was nearly unanimous, save one person who did not vote for the report. That individual did not think the forecasts were necessarily inaccurate; rather he had trouble with some of the Commission's recommended solutions.

The fundamental facts, though, are undisputed. We are headed toward a cliff. What can we do? Whenever you talk about entitlement programs, one of the things that you hear, and hear for valid reasons, is, ''Wait a minute, these are programs that people have paid into directly or indirectly. If it is civil service retirement, people have paid in through much of their service. So do not change the ground rules after someone has paid in.''

That is fair enough. If you have a choice, obviously you should not want to change the ground rules, and that is the whole precept of this amendment. This amendment says, we are going to make some modest reforms, but we are not going to apply them to people who are involved in the programs right now.

I hope Members will keep that in mind as they review this particular proposal. It does involve a number of modest changes—a modest change in the civil service retirement, a modest change in military retirement, a modest change in a variety of other areas—but they do not apply to any Federal employee now employed by the Federal Government. It only applies to Federal employees hired after January 1997.

The choice is not whether you adopt these reforms or not. These reforms will be adopted because when the fund runs out of money, you simply cannot raise taxes enough to continue on. They are going to be changed. The question is whether you are going to change them after people have paid into the programs for many of their working years or whether you will make the necessary changes before people begin paying into them.

Our suggestion is that you ought to change these programs before people pay into them. Thus, the very modest change in civil service retirement, very modest change in military retirement, specifically excludes anyone who is now in the armed services of the United States or works for the Federal Government. They only apply in the future. The changes in Social Security are modest. They adjust the retirement age. It is phased in so it takes full effect by the year 2030.

Some would say, ''Why do we have to do that?'' We have already noted the problems with Social Security funding. It is quite clear there will not be money to meet the obligations by the year 2029. Social Security will be insolvent. When Members think about this issue we ought to give some thought to what has happened since this program was started, because the facts have changed.

The distinguished Senator from Virginia went through the changes that have taken place in the number of workers per the number of retirees. That is one of the big dynamics. Perhaps less well known is the fact that in 1935, when Social Security began, life expectancy in this country was 61 years. In the year 1994, though, it was 76 years; from 61 to 76, a 15-year change in life expectancy. Can you ignore that when you have a program based on retirement? Of course not. The facts have changed. There has been a 15-year increase in life expectancy, and I do not think you can possibly ignore that when you begin to look at the program and how it is designed.

The Commission indicates life expectancy in the year 2025 is even 2 years higher, 78. The percent of the population over 65 years old was 7 percent in 1935 when the program began. It was 13 percent in 1994 when the commission began to take its look at this. It goes to 20 percent by the year 2025. The facts have changed and we have to change with them. The number of Americans over the age of 70 was 24 million in 1995. By the year 2030, it will be 48 million.

Mr. President, the reality is this: If we cannot make modest adjustments in the retirement programs, an adjustment to make the CPI correct or at least closer to being correct—this does not take it all the way, but a little closer—if we cannot make modest adjustments in the Social Security retirement age, one of two things will happen: The programs will either become insolvent or we will have to raise taxes to the point in this country where we simply destroy the economy.

All of us are familiar with the dramatic differences in economic projections and economic philosophy. Some think Arthur Laffer is a great visionary; others pooh-pooh his ideas. But, Mr. President, these are facts. They are not in the realm of disagreement. The President's own budget, brought out by a liberal Democratic administration, acknowledges that taxes would have to be raised to 82 percent of the gross domestic product simply to fund the programs that are already on the books.

No one contends we will be a competitive, viable economy with taxes like that or even taxes half of that. What we are looking at is an economy and a plan for entitlements that is racing toward the edge of a cliff. The question is, Does this body have any more

common sense than James Dean did when he got into that racer? The fate of our children rests on the answer. The fate of our children and our grandchildren rests on our wisdom in taking modest steps in advance of the tragedy to make it work.

I do not know of other proposals that are around that address the long-term problem. I was somewhat amused by a former Governor of Colorado, Dick Lamm, when he observed some caustic comment that the Republican proposals for Medicare reform which received so much attention last year were, indeed, outlandish and inaccurate. He said they were not near enough. Instead of going too far, they did not go far enough, because you see, the goal here is to save the programs. The goal here is to make them last.

In the long run, what this amendment is about is saving those entitlement programs. When we cast our votes on this, please do not think that we are helping future retirees by ignoring the facts. Those who care about retirees, those who care about our future will want to vote for this amendment.

Are the reforms modest? Of course, they are. Do they not have any immediate impact? That is probably true, no immediate impact. But, Mr. President, 20 to 30 years from now they will have an impact, and the impact will be significant. But more important than that, they will have an impact today not in financial terms, but they will have an impact in terms of hope, hope for our future, confidence in the American dream, because facing our problems and solving them is part of the strength of this great country.

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

The PRESIDING OFFICER. Who yields time?

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I am pleased to be able to be here on the floor and listen to my colleagues and join them in presenting this amendment to our Senate colleagues today.

I certainly subscribe to the comments made by the Senator from Colorado, Senator BROWN, as well as Senator KERREY, Senator SIMPSON, and Senator ROBB in offering this amendment which provides immediate and long-term budget reforms that are absent from the budget resolution before the Senate or is absent from any other resolution before the Senate that I am aware of.

In the 1995 Kerrey-Danforth Bipartisan Commission on Entitlement and Tax Reform report, the Commission identified the following principles for its approach to long-term reform. These principles were:

No. 1, we must plan for the future by addressing and solving our long-term fiscal problem head on. That is exactly what this amendment does.

No. 2, we must lead by example. Congress cannot be exempt. That is also what this amendment does.

No. 3, we must plan for the aging of America's population, and that is precisely, again, what this amendment does.

No. 4, we must address rising health care costs by emphasizing market incentives and personal responsibility. Again, what this amendment does.

No. 5, we must fulfill our promises to today's retirees and ensure the long-term solvency of Social Security. Again, right on point.

No. 6, we must design a solution that is fair to all Americans. I am not sure we will ever have anything every American considers absolutely fair, but we have strived toward that goal.

No. 7, we must act now to give people time to plan for the future and to avoid significant future revenue increases or benefit reductions.

Again, as the Senator from Colorado laid out, that is what we are doing. We either take these steps now in modest steps, in doing what everybody who has studied this series of problems and challenges knows is inevitable, or we will wait longer and longer and longer, as we have been doing, and then the medicine will have to be more and more disagreeable in years ahead and even dangerously disagreeable.

Senators KERREY, SIMPSON, BROWN, ROBB and I are offering an amendment which lives up to the principles of the Kerrey-Danforth Commission and to put before the Senate and the American people some of the hard choices that have to be made in the near term if we are to have any hope of fiscal soundness over the next 20 to 30 years.

A proposal to balance the budget in 6 or 7 years is a necessary start, but it is only the beginning step, and that is what we are debating on the underlying resolution. We can balance the budget in 2002. If every projection works out as envisioned, whether it is under the proposal presented by the Budget Committee or whether it is under the President's proposal or whether it is under the Chafee-Breaux proposal—which I support. Even if we do that, however, and get a balanced budget in 2002, we will still have a dismal fiscal picture for the years following 2002, particularly for our children and children's children, because the cost of our entitlement programs, which are already the major cause of our persistent budget deficits, will become completely unaffordable when the baby boom generation begins to retire 20 years from now.

The Chafee-Breaux proposal, I think, is a solid proposal and a solid beginning for the first 7 years. This proposal is entirely consistent with that, indeed is consistent with the other alternatives, because it goes further. It talks about what we call the outyears, but these are the crucial years, and these steps have to be taken, in my opinion, now.

To give my colleagues some idea of the challenges ahead of us in America, consider the following.

In 1963, mandatory programs, entitlement programs plus interest on the debt—and make no mistake about it, these are the popular programs that are supported by the American people—in that year, 1963, this spending represented 29.6 percent, or about 30 percent of total Federal spending.

Ten years later, 1973, mandatory spending represented 45 percent of overall Federal spending.

In 1983, mandatory spending represented 56.3 percent of Federal spending. In 1993, mandatory spending consumed 61.4 percent of the Federal budget. In 2003, 7 years from now, the mandatory spending, or entitlement programs plus interest on the debt, is projected to consume 72 percent of the Federal budget. We have gone from 1963, 30 percent, to 2003, 72 percent, of the Federal budget.

In 2012, less than 20 years from now, mandatory spending is projected to consume 100 percent of Federal revenues as the programs are now structured.

Unless things change significantly, Mr. President, before 2012 there would be no Federal funds left for the defense of our Nation, no Federal funds left for education, no Federal funds left to have a Federal court system, environmental protection, transportation, prisons, Border Patrol, housing, foreign aid, cancer research, disease control, or any other appropriated account. All of these would be gone. That is what we are talking about within 20 years. The entire cost of all these basic functions of Government which Congress provides each year through the appropriations process, as opposed to mandatory spending, would have to be financed by deficit spending at the very point in time when Social Security itself will start to run huge deficits on its own.

In 2013, as the baby-boom generation begins to retire en masse, beneficiary payments for Social Security recipients will exceed receipts from working Americans. In 2030, when all the baby-boom generation will have reached age 65, Social Security alone will be running a cash deficit of $766 billion per year—not million, but billion.

Or consider the following. Because Social Security has been considered off limits for so long, the program has not changed with the times and with demographic realities the way many other programs have had to, and certainly the way the private sector has had to.

When Social Security was established by law in 1935, the elderly were eligible to receive retirement benefits at age 65. In 1935, the life expectancy of the average American was 61.4 years. Today, the retirement age for full Social Security benefits remains the same: 65 years. Today, the average life expectancy is almost 76 years. Thirty years from now, average Americans, based on projections, will live to almost the age of 79.

Mr. President, if we had this same actuarial plan that President Roosevelt and the New Dealers had when they started this important Social Security Program, the retirement age for Social

Security recipients would be almost 80 years old today. We certainly do not suggest that, but we do suggest fundamental and modest adjustments.

The current Social Security Program is unaffordable in the 21st century because this increase in life expectancy is occurring at the same time as the number of workers supporting each Social Security beneficiary is decreasing. I know the American people believe that when they pay into Social Security, it all goes into a little account, that money sits there and draws interest and waits for them to retire.

Mr. President, it has never been that way. It never will be that way. Perhaps that is the way it should have been set up. It was not set up that way. We all know it was set up based on today's workers paying for today's retirees.

In 1950, there were approximately 15 people working to support each Social Security retiree or recipient. By 1960, there were five people working to support each Social Security recipient. Today, because of demographics, because of health care, there are now only——

The PRESIDING OFFICER. The Chair notifies the Senator that all of the time for the proponents has now expired.

Who yields time?

Mr. NUNN. Mr. President, would the Senator yield me about 5 minutes off the bill?

Mr. DOMENICI. Ten minutes.

Mr. NUNN. I thank the Senator.

Mr. President, today there are now only 3.3 workers per recipient. Thirty years from now, the ratio will be two to one. And this ratio will continue to decline.

My friend from Nebraska, did——

Mr. EXON. I will be glad to yield the Senator time, but I guess he has some over there.

Mr. NUNN. I thank the Senator.

Mr. President, I know there are many people who will debate this in an emotional fashion, but, in my view, this is not a Democratic or Republican philosophical debate. It is not about philosophy. It is not about anything but basic actuarial statistics and arithmetic. That is the way it ought to be debated. I know people get off on an emotional binge on this, and I know that it is considered the third rail of politics, but the facts are the facts. Two and two is four. The actuarial basis of any kind of a retirement program has to be taken into account.

I know that many question what will happen if we do nothing. Certainly I do. As our former colleagues, both Senator Tsongas and Senator Rudman, correctly noted not long ago, and I quote:

> If we ignore our mounting debt, if we just wish it would go away and do nothing about it, it will grow and grow like a cancer that will eventually overwhelm our economy and our society. The interest we owe on the debt will skyrocket. We will continue our vicious cycle of having to raise taxes, cut spending and borrow more and more to pay interest upon interest. Our productivity growth will remain stagnant; more of our workers will have to settle for low-paying jobs; and our economy will continue its anemic growth. America will decline as a world power.

Mr. President, this means, in short, that if we refuse to act now, future generations will have two choices. The Senator from Colorado has alluded to this and my other colleagues have, but it bears repeating. The choices will be to drastically cut benefits for people who are about to retire or already retired; or the other choice is to increase taxes on the working Americans to unsustainable levels to support the retiree. I do not know of any other choices. Taxes at the required level would not only be a political albatross; it would break our economy.

Mr. President, the sooner we act, the more choices we have, the easier it will be over the long run. The longer we wait, the stronger the medicine will have to be. The amendment before the Senate is one set of choices. Others might come up with a better approach. If so, they should come forward with their own amendment. But now is the time to join this issue. It needs to be joined.

We have to know where we are going in the future. We have to make tough decisions. Everyone who has studied this challenge realizes that we must reduce the future costs of our entitlement programs. We must do so without damaging our elderly population and those about to retire.

We do not pretend here today to have the only approach. We are certain, however, that even if we get only five votes—and that is entirely possible, I recognize this—the issue must be joined. The national debate on entitlements must begin.

For many years now the word in political circles is—and we all know it—the word is, do not talk about entitlement restraint during an election year. At least do not do anything about it seriously. Nor can you do anything in the year before an election. Mr. President, every year is either the election year or the year before the election. So that means you never do anything. That means we never do anything but talk in very general terms about entitlements.

Politicians of both parties are reluctant to believe the American people will ever understand or agree that these programs must be restrained if our children are to have a future.

With this amendment, we attempt to frame the debate and return our Nation to the same path our forefathers blazed for us.

While the Senate cannot amend all the actual statutes needed to implement these changes in a budget resolution, the proposals contained in this amendment represent strong but life-saving medicine.

We propose the following: First, to adjust the Medicare eligibility age to correspond with the Social Security retirement age. This adjustment would add 2 months to the Medicare eligibility age each year beginning in the year 2000. Not any real big problem for any individual. By the year 2003, the Medicare eligibility age would mirror that of the Social Security system. Once Medicare and Social Security retirement ages are equal, the Medicare eligibility age would mirror the increases in retirement age planned for the Social Security system. Current Medicare eligibility age is frozen at 65 years.

The second major step we would take: to accelerate the date of the Social Security eligibility age by eliminating the 12-year plateau in the law now and increasing the rate of the eligibility age by 2 months per year. Eventually, the Social Security and Medicare eligibility retirement age would increase to age 67 in 2012 and 70 in the year 2030. Current law increases the Social Security retirement age to age 67 in 2026 and does not propose to increase beyond that age. Again, current law for Medicare eligibility age is frozen at age 65.

Third, and this one would apply now. We would limit the full cost-of-living—COLA's—cost-of-living increases to the first $50,000 in Federal retirement benefits. That will affect everybody in this body, likely, that retires. It will affect all of the people who retire with a very large benefit. For example, if a Federal retiree is eligible to receive $60,000 in Federal retirement next year, our proposal would allow this retiree to receive a cost-of-living increase on the first $50,000 in retirement but not on the other $10,000.

It seems to me that is a modest and a fair step higher-income retirees can be expected to take.

The fourth thing we would do would be to reduce the Consumer Price Index [CPI] inflation calculation by 0.5 percent each year for years 1996 through 2003. This is identical to the CPI recommended by the so-called centrist coalition.

The fifth thing we would do is adjust the civil service retirement age by allowing full retirement at age 60 with 30 years of service, age 62 with 25 years of service, age 65 with 5 to 25 years of service. Mr. President, this compares to current law with civil service retirement that provides full benefits at age 55 for 30 years of service, age 60 for 20 years of service, age 62 with 5 years to 25 years of service. This does not apply to anyone who is currently in or has been in the civil service. It would apply to new people coming in. Again, a very fair proposal.

The same with the military retirement change which is a modest proposal that applies to everyone coming into the military after this proposal becomes law, if it does. We would adjust active duty military retirement by allowing active duty personnel with 20 years of service to retire with full benefits at age 50. Benefits would be discounted if the person begins drawing them before age 50. There would be no change in Reserve retirement. Mr. President, this compares to current

law for military retirement which provides full retirement benefits after 20 years of service, regardless of age.

This means that some people coming into the military can retire when they are 36 years old. Many of them retire when they are 38 or 40 years old. That has been based on the old military, where people had to move up or out, and you had to have everybody young and vigorous. Today we are in an age of technology. It is, fundamentally, time. Military has to adjust time in grade and make other adjustments. We do it over a long period of time so the military can make those adjustments without really having any harm on people who are nearing retirement, or with the grandfather provisions on anyone who is in the military today. Both the civil service and military retirement changes would be prospective. Again, would apply only to new civilian and military personnel entering Federal service.

When you think someone retiring at age 36 will live until they are 76 years old on average, or something in that neighborhood, they will draw retirement for 40 years. Now, we just cannot afford that kind of retirement system to continue on and on.

Seven, we establish a personal investment plan which would allow workers to divert 2 percentage points of their monthly payroll taxes to their own personnel investment plans. It is our intent to allow the personal investment plan to be enacted in a fashion which does not adversely impact Social Security long-term solvency.

Mr. President, this is modest medicine. Some may consider it strong medicine. I believe it is required to save the fiscal life of the future generations of American citizens. I believe it is fair medicine. We offer this amendment in good faith, but we realize we are asking our colleagues to join in programs touching the so-called third rail of politics in America, the rail which provides programs that affect people who are elderly. However, my colleagues should understand that this amendment, with the exception of providing a more accurate calculation of the Consumer Price Index and the COLA increase adjustment for retirees receiving more than $50,000 in Federal benefits annually, does not impact current retirees or those about to retire. We grandfather and grandmother our constituents who fall into these categories.

Our amendment maintains the important commitments between generations that form a foundation of Social Security, Medicare, and other programs. Most importantly, this amendment offers a hope that these programs and benefits will continue to exist in the future, for future generations.

I say to my colleagues, if you think these choices are unpopular, wait until you see the choices you will face if we continue to ignore these problems. These problems are not going to go away. They are not going to go away. They are not going to get any easier. Arithmetic is not going to change.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NUNN. I will wrap up in 30 seconds.

Pete Peterson has spoken out on this subject and been a stalwart in trying to bring these matters to the attention of the American people. He had a recent article, and I will quote from the Atlantic Monthly article:

> The long great wave of baby boomers retiring could lead to an all-engulfing economic crisis unless we balance the budget, rein in senior entitlements, raise retirement ages and boost individual and pension savings. Yet politics of both parties say that most of the urgently necessary reforms are off the table.

Mr. President, we have to take these matters and put them on the table. That is what we seek to do here today. I have great faith in the American people. I think they have good judgment. With the facts, I think they will make fair judgments. I believe if we present the American people with the facts about our future, they will support sensible and fair conclusions what we must do today if we are to preserve the future for our children and for our grandchildren.

Mr. DOMENICI. Mr. President, how much time did the proponents use?

The PRESIDING OFFICER. The proponents have consumed their entire hour.

Mr. DOMENICI. Senator EXON, I know we have two different amendments waiting here on the floor. Senator SNOWE has an amendment that was scheduled for some time ago but it did not get worked in. How much time would you need?

Ms. SNOWE. Less than 5 minutes.

Mr. DOMENICI. And we have Senator BREAUX to be accompanied by Senator CHAFEE, and you want about 3 hours.

Mr. BREAUX. Yes.

Mr. DOMENICI. We want to work until 10 o'clock tonight if we can.

Mr. EXON. Senator SIMON wants to be recognized.

Mr. SIMON. If I could have 4 minutes in the process of this.

Mr. DOMENICI. We are not finished with the previous amendment.

Mr. SIMON. I wanted to speak on that amendment.

Mr. DOMENICI. So we could get Senator SNOWE in, and then the bipartisan proposal, and still try to get a couple more amendments after that this evening.

Could I ask the Parliamentarian, if we went until 10 o'clock tomorrow and all of that time was used because there would be no votes, how much time would we have used of the 50 hours?

The PRESIDING OFFICER. The Parliamentarian advises the Chair we are up to 41 hours.

Mr. DOMENICI. So it would be approximately 9 hours left.

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. I thank the Chair. I thank the Parliamentarian. I should not have asked such a complicated question. He is a Parliamentarian, not a budgeteer. Maybe Parliamentarians would do better than budgeteers.

Mr. EXON. Or vice versa.

Mr. DOMENICI. I wonder if we might suggest to our leadership, because tomorrow they want to take off around 10:30 for a while, that we come in again in the morning at 9 o'clock, and for an hour and a half take amendments up and then continue right on through the afternoon with as many amendments as we can get in, and try to get some unanimous consent on how we take up amendments, and then start tomorrow night around 5 o'clock or 6 o'clock with a series of amendments and return on Wednesday with a series that would be all the rest of the amendments.

Mr. BREAUX. It was our understanding we would try the so-called Chafee-Breaux substitute, use 3 hours this evening and have an hour to conclude tomorrow, sometime. I do not know if that fits in with your plan.

Mr. DOMENICI. It fits in fine.

Mr. EXON. How much time is allowed?

Mr. BREAUX. Four hours.

Mr. EXON. You would use 3 hours tonight and 1 hour tomorrow?

Mr. BREAUX. Yes, equally divided.

Mr. DOMENICI. To the extent the opposition does not use that much time, we could have less time.

Mr. CHAFEE. Or you could always give it to us.

Mr. DOMENICI. I assume 2 hours of discussion on a budget like yours ought to be more than adequate. That is not true. It is a great budget. We could spend a whole evening on it.

In any event, let me make sure that everybody understands. We are getting to a situation where, because we have to take off a little bit tomorrow, we are probably going to start voting no sooner than tomorrow night.

Mr. EXON. From what I can gather, probably in the neighborhood of 6 o'clock.

Mr. DOMENICI. That is correct. We will have a series of votes. We will strike some agreement on a tiny amount of time for each one for Senator EXON and I to explain the amendment. Then we will come back in on Wednesday, and there will still be a long list of amendments—unless we stay in all night, which I do not think we want to do Tuesday. We are not going to have a series of votes of five or six amendments. We are going to try to do it this way. If you can help us by not insisting that your amendment be voted on, maybe we can voice vote some. But that is the way things look right now.

Having said that, I yield myself 5 minutes in opposition to the amendment offered by Senators SIMPSON, KERREY, NUNN, and ROBB.

First of all, Mr. President, these Senators who offered this sense-of-the-Senate amendment deserve the highest accolades. They are attempting, in this sense-of-the-Senate resolution, to address issues that are profoundly important to the future. What we have the

most difficulty with as legislators, Senators, Representatives and, I must say, even Presidents, is addressing future problems, because it is so easy to talk about only current problems and the current status of programs, and, for some reason, it is very difficult, even if the facts are known, to address issues that are clearly out there, which are going to be very damaging to our seniors, or to young people, or to our economy 10, 12, 15, 20 years out.

In fact, I think that the distinguishing feature for modern times between leaders that lead and leaders that propose to do things that do not require any leadership is those who deal with today only are not really leading very much, because today's problems and solving them right now is pretty easy. What is difficult is to solve problems that have long-term implications and you must convince yourself and people that you have to start solving them or they will not be solved right.

An example is, if one were a mayor of a city where a huge plant closed down and thousands of people were put out of work, you could get the community together quickly and rapidly, and they would join forces almost with one voice of harmony to do something about it. But if you talk about a master plan for highways for a city, it is pretty hard to get everybody together, because you do not need the highways tomorrow or next week. It is the same for our Federal Government. You have to start fixing entitlement programs today, because the handwriting is on the wall. You can tell the public precisely what is going to happen and what the options and alternatives are 6, 8, 10, 20 years out.

In that context, those who offered this sense-of-the-Senate resolution had the courage to do that. I wish it was not a sense-of-the-Senate resolution. I wish that we had a budget before us that literally did these things, or a mechanism for having a real vote on those kinds of issues. To some extent, in terms of the Consumer Price Index, the bipartisan proposal that is coming up shortly does address that. But I personally believe that the problem with the resolution offered by the four distinguished Senators, led by Senator SIMPSON, is that they have included in it that we fix the Consumer Price Index right now, that we change it to limit it and reduce it by five-tenths of 1 percent.

Frankly, I am not going to take a lot of time tonight. I believe I could convince Senators that we do not know enough about it to do five-tenths right now, and that there are real reasons to debate some alternatives. I believe I could spend time convincing the Senate that the small group of economists that came up with the conclusion that we were off by anywhere from 1 percent to 2.7 percent are not an official commission of the Congress, or of the President, and that we should not be changing Social Security based upon their reasoning.

But I also believe that we made a commitment this year that we were going to take some very tough medicine with reference to some of the entitlement programs—welfare, Medicaid, Medicare, public employees, on and on—but the commitment was that we would not touch Social Security in this round of budgeting, where we were attempting to reduce the budget deficits and ultimately to be in balance.

I believe we should live up to that commitment through this year. I believe, under whatever guise anyone wants to make it, a five-tenths mandatory change in the Consumer Price Index is changing that commitment and is going to impact on Social Security. I believe that the arguments made here today may very well be correct. We may get to that point. But I also believe that when we get to that point, it is going to have to be a very broad-based, bipartisan effort. I am beginning to think that you cannot do it without a President of the United States joining. If you are going to change the Consumer Price Index, and even if you want to make the point and even if you are right that it should be changed because it is not as accurate as it should be, I do not believe you can do that in the same year that you are reforming Medicare, welfare, and Medicaid, without the President of the United States and a bipartisan coalition saying let us change it.

We have part of that in this institution, for there is a large group of bipartisan Senators—not large enough to equal 51, but a large group—that will be in support of this approach. I have never shirked from making long-term budget decisions when they are clearly understood and when you can see the handwriting on the wall. I have never been afraid to tell those who are getting benefits from the Government that we overpromised. I have never been afraid of that. I believe we have overpromised in a lot of areas. I believe the reason Senator SIMON stands on the floor and so eloquently says, ''Let us have a constitutional amendment for a balanced budget,'' is because he, too, believes—perhaps not in the same areas—we have overpromised, overcommitted, and we too easily tell the populace we are going to do more for them.

I believe the time has come when more and more of us have to stand up and say, in the interest of the future, in the interest of a growing economy and a better opportunity for our children and the next generation, we have to kind of harness in some of those commitments and make some changes, do them prudently. Most of the suggestions in this sense of the Senate are prudent and are way out there.

I want to close tonight by saying every one of those Senators have joined me—all four of them—in the past when we were on the cutting edge. We were there ahead of everybody saying let us fix the entitlements. My friend from Washington remembers, and Senator NUNN and the Senator from New Mexico. We almost shocked this place by passing a mandatory change in the growth of the entitlement programs. It came as a shock that Senators were finally opening their ears, minds and eyes to these problems. That was a few years ago. We are making headway on a number of those programs. We need to make more. The idea of changing the law in the future so that anybody who is now a beneficiary of one of the pension programs does not get affected is a brilliant idea. Eventually it will be done, or you will not be able to change those programs. But I repeat: You cannot avoid the reality that 0.5 percent on CPI is a change in Social Security. I truly believe we made a commitment to the contrary. We need more of an authentic commission and bipartisan support, along with a President to get it done. Maybe I am wrong. But that is how I feel here tonight.

What that means is that I will argue less on the total budget that Senator CHAFEE has so diligently—along with Senator BREAUX—put together. But I will have a few words about it, and most of it will be complimentary.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, will the Senator yield me time?

Mr. DOMENICI. Of course, in opposition, as much as you want.

Mr. EXON. Mr. President, I would first like to yield 4 minutes of the opposition time to the Senator from Illinois, who has been patiently waiting.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I confess I have some mixed feelings on this. While I have been recognized on opposition time, it is possible that I will vote for it because there are things that I think are very good in this.

Mr. EXON. You just lost your time.

Mr. SIMON. Mr. President, let me say that there is one area where I differ with my colleague from New Mexico, and I have great respect for him. I think he is one of the finest Members of this body, and his leadership in trying to move us toward a balanced budget I applaud. But I think, outside of the philosophy in the budget where the two sides differ—here you see fundamental differences. How much should go for education? How much for this? But two basic deficiencies are: First, we are having a tax cut when we have not balanced the budget. I just do not think that makes sense at all. Our colleague, Senator FEINGOLD, is going to have an amendment on that.

Second, we have to deal with the CPI. Senator MOYNIHAN has been excellent and eloquent on this. Senator NUNN was great. Pete Peterson had the article in the Atlantic Monthly. Anyone who is serious about this question, take a look at Pete Peterson's article. We simply have to balance the budget,

and that means we are going to have to address the CPI question sooner than later, and the sooner we do it, the better. It is politically awkward. There is no question about that.

I have to say, the other side of this, without having studied where we are going, to say that we want to divert 2 percent of the total tax payroll to a private investment plan without doing any studying on it and without having hearings on it, I think is a questionable procedure. I really have qualms about doing something like that. So I have real unease about that portion of the amendment, but facing up to the CPI problem is something that we ought to be doing.

I yield the time, and I thank my colleague from Nebraska as well as my colleague from New Mexico.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank my friend from Illinois. I was going to ask him a question. I am going to be addressing this matter a little bit more in response to the Breaux-Chafee amendment. I think there are a lot of good things in the Breaux-Chafee amendment, and there are some good things in this amendment, which, as far as I can tell, is similar to Breaux-Chafee, but evidently this particular proposition is not entirely subscribed to nor is it endorsed by all 11 Democrats and 11 Republicans who make up the people who have been doing the good work under the direction of Senator CHAFEE and Senator BREAUX.

Let me say briefly about the CPI that we have to do something about Government and about Government overspending, but for the life of me I have never been able to figure out how we can justify, with the upcoming problems that we obviously have in Social Security and its solvency around the year 2030, changing the CPI without looking at the larger question of making solvent the Social Security trust funds or the Medicare fund.

I am not for making arbitrary adjustments other than those recommended by the Bureau of Labor Statistics. They have told us there should be an adjustment of, I believe, about 0.3 percent to make it fair and equitable, the way it was intended. I am for that. But these automatic, arbitrary cuts in CPI, it seems to me, is robbing Peter to pay Paul, Paul in this case being the budget deficit.

I think that is not well thought through. I simply say that rushing into things from time to time just because they sound good might not be the smartest thing to do.

If there are any sponsors of the amendment on the floor, I would like to pose a question to any of them, or to anyone who can explain this. On page 2 of the amendment before us, line 24, under 6 it states: ''Workers should be allowed to divert 2 percent of their total payroll taxes into their own personal investment plan.'' Then listen to this: ''As long as there is no effect on the solvency of the Social Security Program.''

I wish someone could explain that to me. I do not know what they are saying. Are they saying that they want to make a fundamental change without hearings in the U.S. Senate on the historic Social Security plan by diverting 2 percent of the total payroll taxes into a personal fund so long as there is no effect on the solvency of the Social Security Program? What does that mean? Does that mean that the 2 percent would not be paid or could not be taken out unless it had an ill effect on the program? Does that mean we would have to have a massive tax increase to make up for the difference of money that is coming out of the Social Security trust fund that is already projected to go bust by the year 2030? Does that mean that we would have to have significant reductions in Social Security payments at that time? Can anyone explain to me what that phrase means, we can take 2 percent and put it in your own personal fund ''as long as it has no effect on the solvency of the Social Security Program?'' Can anyone explain that?

Hearing no one, I can only assume that there is no explanation, or at least the people that know the answer to the question that I posed are not here to answer it. I hope they will take the opportunity to do that at another time.

I am going to be very brief on this. I first want to commend the motivations of the sponsors of this amendment, most all of whom are close friends and associates of this Senator during the years I have been in the Senate. We all can agree that we need to look at entitlement reform. Chairman DOMENICI said much the same in remarks he just concluded. But I will have to oppose the amendment because it calls for piecemeal changes to the Social Security system that may compromise reform of that program and endanger rather than ensure its solvency.

In addition, this is, once again, one of those famous sense-of-the-Senate resolutions. Sometimes these sense-of-the-Senate resolutions take on a life of their own. We all agree that sometime in the not too distant future we are going to have to address this problem. We need to look at the entire pie before we decide to endorse these piecemeal changes.

We have, for example, Mr. President, a Social Security advisory council due to report, as I understand it, very soon their findings. They are not an official body of the Senate. I am very much interested in what they have to recommend. We should also have hearings. We have seen neither their report, nor their recommendations. So although the proponents are well-intentioned, before we get into an area like these we need to make reasonably sure you know what you are doing before you do it.

We all recognize we will have to make substantial changes in Social Security to ensure the solvency of the program for the baby boom generation, but we should think those proposals through. We should have hearings. We should know for sure, as best we can, what we are doing. The relevant committees should study, have hearings, debate the issue and make a recommendation to the floor of the Senate for action. We have not done that in a comprehensive way as far as I know in this case.

This amendment also contains two proposals—cutting the cost of living adjustments and moving back the age at which seniors become eligible for Medicare. These proposals are similar to a very large extent under the Chafee-Breaux budget substitute, which, I understand, we are going into as soon as we finish the remarks of the Senator from Maine. I will have something more to say on that.

I think that basically covers some of my concerns with regard to the sense-of-the-Senate resolution presently before us.

I yield the floor.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from New Mexico.

Mr. DOMENICI. I ask unanimous consent that the pending sense-of-the-Senate amendment be set aside so that Senator SNOWE can proceed with her amendment in the normal fashion and that she be recognized to do that.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Maine is recognized.

AMENDMENT NO. 4017

(Purpose: Expressing the sense of the Senate that the aggregates and functional levels included in this budget resolution assume that savings in student loans can be achieved without any program change that would increase costs to students and parents or decrease accessibility to student loans)

Ms. SNOWE. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. SNOWE] proposes an amendment numbered 4017.

Ms. SNOWE. 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:

(a) FINDINGS.—The Senate finds that—

(1) over the last 60 years, education and advancements in knowledge have accounted for 37% of our nation's economic growth.

(2) a college degree significantly increases job stability, resulting in an unemployment rate among college graduates less than half that of those with high school diplomas.

(3) a person with a bachelor's degree will average 50–55% more in lifetime earnings than a person with a high school diploma.

(4) education is a key to providing alternatives to crime and violence, and is a cost effective strategy for breaking cycles of poverty and moving welfare recipients to work.

(5) a highly educated populace is necessary to the effective functioning of democracy and to a growing economy, and the opportunity to gain a college education helps advance the American ideals of progress and social equality.

(6) a highly educated and flexible work force is an essential component of economic growth and competitiveness.

(7) for many families, federal student aid programs make the difference in the ability of students to attend college.

(8) in 1994, nearly 6 million postsecondary students received some kind of financial assistance to help them pay for the costs of schooling.

(9) since 1988, college costs have risen by 54%, and student borrowing has increased by 219%.

(10) in fiscal year 1996, the Balanced Budget Act achieved savings without reducing student loan limits or increasing fees to students or parents.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the aggregates and functional levels included in this budget resolution assume that savings in student loans can be achieved without any program change that would increase costs to students and parents or decrease accessibility to student loans.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. I thank the Chair.

I thank, first of all, the distinguished chairman from New Mexico, Senator DOMENICI, for his tremendous efforts on this budget resolution. As chairman of the Budget Committee, he has an unusually difficult responsibility to set a fiscal course for this country. Although faced with great challenges, he certainly has assumed those responsibilities time and time again with great skill and has demonstrated true leadership. I truly wish to express my appreciation to him for what he has tried to accomplish this year as well as in the past in trying to achieve a balanced budget.

The sense-of-the-Senate resolution I am proposing addresses the issue of education. I think it is critically important that the Senate go on record to reaffirm its commitment to higher education and to education in general. I think it is important that we establish a reaffirmation and support for a student loan program. I cannot think of a greater issue for the future of this country than to ensure that we provide an adequate funding level for higher education and in particular for student loans.

That is one of the greatest issues to the American people at this point. In fact, a recent USA Today/CNN poll indicated for the first time the American people regarded education as the top priority beating out all other issues, and regardless of party, regardless of age, regardless of income group, it crossed all party lines, all age groups, all income groups with respect to this issue. In fact, two-thirds of the American people feel that their children will be no better off than they are, and they see education as the key to survival.

That is why I think it is important to recognize just how significant student loans are. In the last resolution that we adopted and ultimately in the balanced budget reconciliation package that was passed by the Congress, we, indeed, restored almost $3.1 billion in funding to the student loan program. The final analysis was that there was no increase in cost to students or their parents, and that is what this sense-of-the-Senate resolution is all about. It is to restate that position and commitment for this fiscal year and for the process that we are adopting in this budget resolution, and with final acts down the road with respect to budget reconciliation.

So my sense-of-the-Senate resolution would build upon the work we did last year. It would restate our commitment to the student loan program, and that in fact we would not increase the cost to students or their parents or decrease accessibility to student loans. Half of the students who are enrolled in classes today rely on the student loan program. As we look at the skills and the occupations that will be developing over the rest of this decade and into the next century, only 27 percent will be in the low-skill occupation categories. So it is going to require in the future higher education.

In fact, today we have 40 percent of those jobs with low skills in that category, but those jobs will now require higher education in the future. And so it is all the more important that we here in the Congress make sure we provide adequate funding for the student loan program. We have seen that in the past it has contributed to our income growth as a country. In fact, the Brookings Institution did a study to look at the contributions that higher education funding by the Congress has made, that in fact it has contributed 37 percent to the income growth in America. For every dollar, based on another study that was done, the Federal Government has contributed to the student loan program, it has a return of more than $4, so you can see it makes an enormous difference to this country as well as to the collective ability of families and individuals to be able to achieve the American dream. And education and higher education has given that opportunity to so many who would otherwise not be able to afford a higher education.

So it is not just an individual problem that they cannot afford an education. It is not just a State problem. It is a national problem. We are seeing the cost of higher education increasing by 6 percent over the last few years, and that cost is only going to continue to grow. So we must as a Nation try to do everything we can to support an individual and their families by providing this access to an affordable college education.

It clearly is in our interest if we are going to remain as a major competitor in the global economy, particularly as we approach the 21st century, and we are going to have to emphasize continuing education and lifelong learning. The only way we can do that is to provide adequate support to the student loan program. If there is one issue that I hear from my constituents time and time again, it is the issue about having an affordable education for their children. Never have we had a generation that has not aspired to present a better world for the next generation.

But now that is a cause of concern to so many people across America, because they see America as the opportunity to a better life and a higher standard of living than even their parents enjoy. So if they do not have that opportunity, clearly they are going to see the future with pessimism rather than with optimism.

I hope we will get broad bipartisan support for this sense-of-the-Senate resolution to ensure that we maintain the commitment, not only to Americans all across this country, but to our Nation. I cannot think of a greater gift that we could give to the American people and to their families and to their children and grandchildren than the opportunity to better themselves. It is certainly a step forward.

John F. Kennedy once said that the task for every generation is to build a road for the next generation. I cannot think of a more important road to build than education. So I hope the Senate will unanimously adopt this sense-of-the-Senate resolution.

I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield time?

Mr. DOMENICI. Mr. President, I ask unanimous consent the Snowe amendment be temporarily set aside and Senator CHAFEE be recognized to offer his amendment, on which we understand there was an agreement we will take 4 hours equally divided, 3 of which will be spent this evening and 1 hour tomorrow.

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

The Senator from Rhode Island is recognized.

AMENDMENT NO. 4018

(Purpose: Setting forth the congressional budget for the United States Government for fiscal years 1997, 1998, 1999, 2000, 2001, 2002, and 2003)

Mr. CHAFEE. Mr. President, on behalf of myself, Mr. BREAUX, Mr. BENNETT, Mr. BROWN, Mr. BRYAN, Mr. COHEN, Mr. CONRAD, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. GORTON, Mr. JEFFORDS, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KERREY, Mr. KOHL, Mr. LIEBERMAN, Mr. NUNN, Mr. ROBB, Mr. SIMPSON, Mr. SPECTER, and Ms. SNOWE, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. BREAUX, Mr. BENNETT, Mr. BROWN, Mr. BRYAN, Mr. COHEN, Mr. CONRAD, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. GORTON, Mr. JEFFORDS, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KERREY, Mr. KOHL, Mr. LIEBERMAN, Mr. NUNN, Mr. ROBB, Mr. SIMPSON, Mr. SPECTER, and Ms. SNOWE, proposes an amendment numbered 4018.

Mr. CHAFEE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I know Senator SNOWE has further engagements, so if she would like to proceed for a few minutes now before I start, she is very familiar with the amendment as a cosponsor. I will be glad to yield to her such time as she needed.

Ms. SNOWE. I thank the Senator. I certainly appreciate that consideration. I rise in support of the bipartisan balanced budget that was worked on by more than 20 Members. There were numerous discussions, negotiations and votes in the course of the last few months. I commend Senator CHAFEE and Senator BREAUX for their outstanding work and leadership in guiding us through those difficult negotiations.

This has been an extraordinary effort and undertaking by more than 20 Members on a bipartisan basis to present a balanced budget plan. This effort really was derived from the time in which the balanced budget negotiations between the President and the Congress failed and we also had the subsequent Government shutdown. We were committed to the idea of creating a balanced budget plan and we feel the only way we can pass a balanced budget plan is on the basis of bipartisanship.

I commend Senator DOMENICI for his work and the work he has done in the past on the issue of a balanced budget. One of the things we have recognized and have acknowledged is clearly we cannot get a balanced budget plan through this Congress unless we have strong bipartisan support. So our effort is not to condemn any other alternatives or the budget resolution that has been put forward by Senator DOMENICI and the Budget Committee, because it has been outstanding. Our effort is to move forward in unison, together, so we can pass a balanced budget plan. If you look to the future and the escalation of deficits, it is staggering. In the year 2002 we will have a $6.4 trillion debt. In the next 15 years it will double, 5 years thereafter it will double. And in the year 2025, in that year alone we will have a $2 trillion deficit.

Given that current spending spurt, we will definitely be requiring the next generation to pay an 82-percent tax rate and they will see a reduction of benefits by more than 50 percent. I do not think that is the kind of legacy we want to leave to the next generation.

That is why this proposal is so important. We made decisions that were not simple. We did not agree with all the proposals that were incorporated in this balanced budget plan. If we all had our druthers, we would probably make different recommendations. But we came together on a broad, bipartisan basis, to ensure in the final analysis we would develop a bipartisan balanced budget plan that could get the support of the majority here in the Congress.

I hope Members of this Senate will look at this plan very carefully, because clearly it does split the differences on some very contentious issues between the President and this Congress. Although we might not like everything that is in this balanced budget plan, I daresay there would not be any balanced budget plan everybody would agree with when you are talking about reducing Federal spending by more than $700 billion.

The deficits we are facing in the future, as I said earlier, are the ones we have to be concerned about. Everybody can make projections about how the deficit is coming down and the CBO reestimates based on previous efforts has reduced the deficit. The fact of the matter is, the deficits are astronomical in the next century and will only continue to grow. I do not think that is the kind of legacy we want to leave for future generations.

If you look at the current indicators, we should be concerned. If you look at the Treasury bonds of 30 years, which is a good indication of the economic health in America, that interest rate has gone up by more than 1 percentage point over a 3-month period. We have seen this is the weakest recovery in more than 28 years, if you look at the job growth rate. So we really have to address the issue of the debt and the current deficit because, if we fail to do that, then clearly we are not going to show that we have the capacity to grow as a nation. We cannot grow with the kind of debt we are compiling for now as well as into the future.

Again, I express my appreciation to Senator CHAFEE and Senator BREAUX for giving me this opportunity to speak first on this amendment. I hope we will get some very good consideration for its passage.

I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from Maine. She has been a very loyal and superb contributor to our deliberations which have gone on since last October. We greatly appreciate the fine support the Senator from Maine has given us.

Mr. President, Senator BREAUX and I, along with 19 of our colleagues, are offering this alternative, centrist budget resolution in the hopes that we can provide a bridge between the two parties. We strongly believe, and I will challenge anybody here to say something to the contrary, that this plan we have represents the only hope of obtaining a balanced budget.

Why do I say that? Because Democrats will oppose the Republicans' proposals. And Republicans already have shot down the Democrats' proposal, the administration's proposal, the President's proposal. That leaves us in exactly the same place we were in at the end of last year, having done little to address the real reforms to put this country's fiscal house in order.

The plan that the centrist coalition, which is the name of the group that Senator BREAUX and I have the privilege of leading, is presenting today, offers a way to reach a consensus on fixing this problem. It balances the budget in 7 years using the Congressional Budget Office assumptions. We do not have any gimmicks here. We do not have any sunsetting of tax cuts. We do not have any triggering of additional income in the outyears. These represent both reforms in the entitlement programs and a modest tax cut for working families.

I invite Senators' attention to be directed to this chart. This is 1996, where the deficit is something around $150 billion. If we do not do anything in connection with balancing this budget, this is the way it will go, up, so that 10 years from now the deficit will be $400 billion. Everybody who spent any time on this problem at all knows it keeps on going upward. Something has to be done about these deficits and nothing will occur in reducing them unless we make some changes, not solely in the discretionary programs but in the entitlement programs as well.

Where does all this leave us? As I mentioned before, the Republicans have shot down the Democrats' proposal. The budget will pass here but when it comes to the reconciliation bills, undoubtedly those will have no Democratic votes and will have a high probability of being vetoed by the President. So what happens then? Republicans and Democrats both will have offered budgets that they like but which are unacceptable to the other side. Each side will proclaim itself a champion of fiscal responsibility. But at the end of the process, we will have failed to solve this problem. The country will not be on the path toward a balanced budget. Instead, higher and higher deficits will result.

Now I will turn to the second chart.

Here in the red at the bottom, we have what is known as discretionary spending. This is spending that deals with all the programs we are familiar with—the FBI, the State Department, the parks, health care and education. All of these are under this so-called discretionary spending.

As anyone will note looking at this chart, it goes up very, very slightly. This is not where the problem is. The problem is in the green. The green is what is known as the entitlements. The entitlements are Medicaid, Medicare, welfare, Social Security, and this is where the great portion of the budget not only is now, but it increases. You can see that what goes up is not the red of the discretionary programs. What goes up is the green of the entitlement programs.

In the budget that has been presented by the Budget Committee, it is projected that over the next 6 years, $300 billion will be saved from the discretionary accounts. What that means is

that what you see here, these tiny little increases, will be held flat and, indeed, decrease over the next several years, over the next 6 years.

The President does something quite similar and did something quite similar in his budget. He proposed that there be $229 billion of savings in these programs. I think it is safe to say that very, very few Members of this Senate believe that either of those levels of cuts in discretionary spending can be achieved. They are just plain not going to be there, particularly in the last 2 years of the plan.

In our plan, which we have submitted, we recognize the near impossibility of those savings being made in discretionary accounts. Our proposal saves $179 billion from those programs over the next 6 years—$179 billion, not $300 billion as is proposed by the Budget Committee, not $229 billion as the President proposed, but a far more realistic $179 billion.

We recognize that even getting the $179 billion savings represents a monumental effort to extract that money from NIH research or law enforcement or environmental protection or whatever it might be.

However, we believe that these savings can be achieved. It will be difficult but certainly far easier than doing anything like $300 billion or $229 billion, as the other programs have suggested.

Now let us talk a bit about the entitlement programs. As you can see, this is the great bulk of the spending of the Nation. This is where the increases are. These are very politically popular programs. The Bipartisan Commission on Entitlements and Tax Reform laid out the problem very succinctly in its August 1994 report.

The commission found that by the year 2010, spending on entitlement programs—now listen to this carefully because this is very dramatic. This is not me saying this. This is a bipartisan commission. This is what they said: The spending on entitlement programs—namely Social Security, Medicare, Medicaid, welfare—and interest on the national debt by the year 2010, the spending on that will exceed all of the Federal tax revenues that come in. That will leave no money to pay for the FBI, the Park Service, or all the other discretionary programs that we previously mentioned.

The centrist plan addresses that problem by making changes that will bring the entitlement programs under control. I know that my fellow Senators who are part of this will go into these in greater detail, but I will briefly touch on them.

In Medicare, our plan makes substantial reforms to improve the program's effectiveness and to shore up the trust fund solvency. We maintain the traditional fee-for-service programs, but also pave the way for a broad range of managed care plans.

We propose that there be affluence testing for the so-called part B premium. Others will touch on this, but that is a program that ought to be inaugurated under the Medicare Program and, thus, reduce the drain on the Federal Treasury, because what the individual does not pay for, some 70 percent, comes directly out of the General Treasury.

We address the long-term viability of the Medicare Program by conforming Medicare eligibility age to the Social Security Program. Under current law, Social Security retirement age is scheduled to increase from 65 currently to 67 years beginning in the year 2003. This increase will occur gradually, taking 22 years to become fully effective. In other words, starting in 2003, it goes up.

The plan we have significantly improves the current Medicaid Program. This is something that greatly concerns the States. We give the States far greater flexibility in delivering health care to the aged and to the poor. States will be able to design systems which best suit their needs without having to go through the lengthy waiver process with the Federal Government.

We repeal the so-called Boren amendment, which will allow States to establish their own reimbursement rates and free them from much of the litigation that now exists.

Importantly, the centrist plan maintains a national guarantee of coverage for low-income pregnant women, for children, for the elderly, and the disabled. We also have important safeguards to prevent States from shifting their Medicaid costs to the American taxpayers.

We make needed improvements in the welfare system. Our plan is based upon the welfare reform bill that passed this Senate 87 to 12 last year. That plan stresses going to work. It requires States to meet a 50-percent work requirement by the year 2002. We accept many of the recommendations of the National Governors Association, particularly for greater child care funding.

Over the next 7 years, the centrist plan also provides tax relief in the shape of $130 billion, much of that going to working families and to small businesses. This includes a $250 per child tax credit.

We have capital gains relief, incentives for families to save by expanding individual retirement accounts, and a State tax relief for family-owned businesses.

Finally, our plan incorporates a one-half percentage point correction in the Consumer Price Index. The Consumer Price Index, as most of us know, is used to calculate cost-of-living adjustments to Social Security and other Federal retirement programs and also for indexing the Tax Code. The problem is the following, Mr. President: The CPI overstates inflation. This is not just me saying this, this is not just the members of the 19 or 21 of us, it comes from lengthy testimony that we have had before the Finance Committee in the U.S. Senate.

The Chairman of the Federal Reserve, Alan Greenspan, believes that the CPI is overstated by 1 percentage point. The Boskin Commission, which was established by the Senate Finance Committee to study this measure, has reported that the overstatement ranges from seven-tenths of 1 percent up to 2 full percentage points.

Our proposal does not go the 2 percentage points, it does not do the 0.7 percent. We go lower than all of those. We take a modest five-tenths of a 1 percent adjustment to the CPI to correct this error. That change will reduce the deficit by $126 billion over the next 7 years and will continue to provide tremendous savings in the outyears.

Over the past few months I have had the privilege, as many of us have here, to discuss this program with my colleagues and with others. Usually there is approval. But then there is the ''but,'' ''But I do not like this.'' ''I would like your proposal, except the cap on direct lending is too low'' or ''the tax cuts should be larger'' or ''there shouldn't be any tax cuts'' or ''the Medicare savings are too large'' or ''the welfare savings are too small.'' Everybody has some small reason.

These are all important considerations, Mr. President. I understand that many Members have strongly held views on these subjects. But we are never going to tackle and succeed in reducing this deficit if we let the perfect be the enemy of the good. If everybody takes a way out by saying, ''I like it, but I don't like any tax cuts,'' we do not have as many tax cuts as the other programs do. We have more than the President's, but certainly less than the Budget Committee has.

Yes, we do not do everything everybody likes. As the Senator from Maine indicated, she and I believe every single member of our group has some better way of doing it than this. But we all stood together and we voted, and we do not all get what we wanted, but we decided to hang together or otherwise nothing will be achieved.

So, Mr. President, the alternative that Senator BREAUX and I and the others present today offers the Senate the only opportunity to have a balanced budget for this Nation this year. Is it tough? Certainly it is tough. The CPI change is not an easy vote, nor is the vote to shore up Medicare and the affluence testing on Medicare, for example. But here you have a group of Democrats and a group of Republicans who have joined hands to take these important steps forward and to end the partisanship and to move forward in doing something about these horrible deficits that our country faces.

So we ask each of you to join our efforts. For the sake of our children and our grandchildren, and the young people, all the young people of our Nation, we want to pass this country on in better shape than we found it. Here is the way to do it. I want to thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, I make an inquiry. It is my understanding, under the agreement, that there are 3 hours equally divided among the proponents and the opponents.

Mr. CHAFEE. I yield whatever time Senator BREAUX uses.

The PRESIDING OFFICER. The Chair informs the Senator from Louisiana, there are 3 hours this evening, 1 hour tomorrow.

Mr. BREAUX. I ask, if it is possible, if the Chair could notify the Senate when the Republican side has used 45 minutes in support of the amendment and when the Democrats have used 45 minutes also so we can divide the time.

The PRESIDING OFFICER. The Chair will make that notification at that time.

Mr. BREAUX. I yield myself 10 minutes. I ask the Chair to notify me when 10 minutes is used.

Mr. President, I first start by commending both the distinguished ranking member, the Senator from Nebraska, Senator EXON, and the chairman of the Budget Committee, the Senator from New Mexico, Senator DOMENICI, for the good work that they have done. This is not an easy task. These two gentlemen have worked tirelessly, been here every day. They have worked very, very hard in trying to get this accomplished.

Having said that, I start my remarks by saying, well, here we are again. Yogi Berra also said it in a different way. He said, ''It's deja vu all over again.'' The younger generation sort of uses a different term. They say, ''Been there. Done that.'' But it all really adds up to the same thing, that we have been through this practice once before.

Does anybody remember last year? Does anybody remember, despite the good efforts of the chairman, the ranking member, and the administration, that the end result of last year's effort is we had two partial Government shutdowns, 13 Government continuing resolutions, which were sort of like sort of funding the Government but not really doing it? All of that was because we on this side could not agree with our colleagues on that side, and neither could agree with the administration down Pennsylvania Avenue on how to run the Government. Is it any wonder that the numbers I saw in the Wall Street Journal, I think Friday, said that 68 percent of the American people do not today trust Congress to get the job done that they feel they elected us to do?

Yet, despite those numbers and despite the failures, I am very concerned that here we go again. Deja vu all over again. Been there. Done that. Because what I see so far in this session of this Congress, is going along the same paths that brought us to almost a disastrous shutdown of the Government that we could not keep going. Yet we are starting out this time the same way.

The Democrats have all voted for the Democratic proposal. The Republicans all voted against it. Ultimately, when the distinguished Senator from New Mexico presents his budget, I imagine just the opposite is going to occur, all the Democrats will vote no, all the Republicans will vote yes. Because our Republican colleagues are in the majority, their budget will pass. But then you have a person down on Pennsylvania Avenue, the President of the United States, who is going to disagree with many of the things in that budget, and therefore when those programs come before him to reach those numbers, he is going to veto that.

Have we not done that before? Have we not been there before? Is there not a better way to do it? The economist and sometimes humorist Herb Stein had a great quote I was reading the other day. It said, ''If your horse dies, we suggest you dismount.''

What he was trying to say is, ''If it doesn't work, try something else. Get off the dead horse.'' Yet I am very afraid we are going right down that same path we just tried. Everybody in this Chamber, and probably in the other Chamber as well, and everybody in the public knows that it is not going to work.

We have suggested a better way, a different way, maybe a revolutionary way in the sense that we are asking both sides to cooperate and make tough decisions together. There is no more gain to be gained from the blame game. We can no longer say it is the Republicans' fault, and they can no longer say it is the Democrats' fault and make any headway in getting the people to believe that we are really serious about getting the job of Government done.

Senator CHAFEE has outlined the fact that there were 22 Senators who have worked since October of 1995, sometimes three and four times a week, in the Chamber here in the Senate and Senator CHAFEE's office, and generally, and worked up an agreement that says, ''Yes, there is a better way.'' The only way we are going to get it done is by making these tough decisions together.

Senator CHAFEE is exactly right. Some will say the tax cut is too high. Some will say not high enough. Some will say the Medicare cuts are too big. Some will say they are not big enough. But we have come together in what I think is the last best effort to say, yes, we still can govern this country, and, yes, the only way we are going to do it is working from the center out.

Is there anybody here who still believes we are going to be working the Government, working from the far left or far right, to come together to make a majority? We have proven that will not work.

We have a 7-year balanced budget. Seven years is what most people have talked about for over a year. We decided to stick to those numbers. Here are our numbers. We compared our numbers of 6 years to the President's 6-year proposal and to the Republican 6-year proposal. Then we looked at it from a 7-year plan. It makes it a little easier to get to the balance. The bottom number is $679 billion over 7 years that we save, that we get to balance in those 7 years.

It has not been easy, but it is not impossible. It is not impossible if you do it in a bipartisan way. It is impossible if you do it in a partisan way. I believe what we are presenting is the last best opportunity to get the job done.

Senator CHAFEE has gone over what we do on Medicare. We save $154 billion out of Medicare. Look how our 6-year number compares to the President's. It is lower than the President's. Ours is only $106 billion in savings. We do it by giving people a lot of different options. Fee for service is one, HMO's, points-of-service plans, provider-sponsored networks. We make some substantive changes.

The same thing on Medicaid. We save $62 billion out of Medicaid. We do it by taking a lot of the Governors' proposals and recommendations and modifying them. We did not give them everything they wanted, but we made substantive changes in Medicaid, giving a great deal more flexibility to the States, which I think most of the States want. I think, quite frankly, it is the right thing to do.

In welfare, the earned-income tax credit, $58 billion. The numbers are very close to the administration's. The $70 billion from the Republicans, I think, is higher than is justified. We come in somewhere down the middle, which most of our numbers do.

We are tough on work, good for kids, provide more child care money for children. But we have a time limit. We end the old program. We make some major changes in welfare, which I think is important. We have a tax cut, a $105 billion net tax cut. Some will say it is not big enough. Some will say it is too large. We come down the middle.

We have about a $25 billion so-called corporate welfare adjustment, but a real net tax cut for families with children, a $250 tax credit, and are working to try to get it up to $500 if they invest in an IRA account.

We also have estate tax relief for small businesses. We increase the tax deduction for health care for self-employed people. Yes, we have a capital gains tax cut in this package both for businesses and individuals.

I want to talk about the CPI because some say you cannot do the CPI; that is something that is absolutely impossible. We did it because economists have all said the Consumer Price Index that is used to base all the entitlement increases overstates the cost of inflation in this country by anywhere from between 0.7 and up to 2 percent. We take 0.5 percent and say we will have an adjustment in the Consumer Price Index over what the Bureau of Labor Statistics is talking about of 0.5 percent. That saves us, over a 7-year period, $126 billion.

We are saying to the American public who are beneficiaries of entitlement programs, we will try and save those programs. We say to Social Security recipients, just like they told us, we will extend the year of solvency in the Social Security Program from the year 2030 to the year 2036. We are giving it at least 6 extra years, just based on our Consumer Price Index.

In addition to that, we cut the long-term imbalance of Social Security funds, the imbalance of the trust fund by one-third over the next 75 years and extend the life of Social Security by an additional 6 years by making this adjustment. I want to show the chart. Some say you cannot do that. The only thing we are saying to the people in this country who get automatic adjustments in their cost of living is that we will ask that adjustment more accurately reflect the real cost of inflation to you. That is not asking from people too much. We are still saying, you will get an increase. We are simply saying, your increase will be more accurately reflective of the cost of living.

I ask unanimous consent for an additional 2 minutes.

The PRESIDING OFFICER (Mr. GORTON). The Senator has that right.

Mr. BREAUX. What we are saying is, people who get Social Security retirement, railroad retirement, all the other benefit programs, when you look at the recommendations from the special commission which has given us an interim report, that report says very clearly that the Consumer Price Index overstates the cost of inflation and adjustments in these entitlement programs. They say, ''Changes in the CPI will overstate changes in the true cost of living for the next few years.''

The commission's interim best estimate of the size of upward bias looking forward is 1 percent per year. The range of plausible values is 0.7 of 1 percent to 2 percent. We picked a number in between, 0.5, actually lower than their estimated range, a 0.5 percent adjustment.

I was saying what it would mean with an adjustment, using a CPI adjustment between 1996 and 1997. You are talking a difference of only $3 per month, we say to Social Security retirees, what they would get less under a CPI-adjusted Social Security increase. I think to say to people on retirement programs that if you are going to help everybody solve this problem, I think you should be very pleased to receive an increase that more accurately reflects what the real cost of living is, I do not think there is a senior in this country that says, ''I want to get more than it costs to keep up with inflation.'' I do not hear a senior citizen saying, ''I want to get more than I am entitled to.'' They say, ''I want to make sure I get what I am entitled to, our contract with our Government, but I do not want to get more than I am entitled to.''

This small adjustment guarantees the solvency of the program for an additional 6 years. It saves us $126 billion over 7 years and allows us to get to a balanced budget in 7 years, I think with the least amount of difficulty and trouble.

In conclusion, the only way we will get it done is if we work together. We will never get it done if we continue to try the same path we have tried in the past. We suggest there is a better way. We suggest an amendment offered by Senator CHAFEE and myself on behalf of some 20-odd other Members of the Senate should be the way to go.

Mr. President, I ask unanimous consent an actuarial statement regarding the CPI be printed in the RECORD.

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

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

MAY 16, 1996.

From: Harry C. Ballantyne.

Subject: Long-Range Effects of Reducing Automatic Benefit Increases—Information.

In response to a request from Cynthia Rice in Senator Breaux's Office, we have prepared estimates of the long-range effects, on the OASDI Trust Funds, of reducing future automatic benefit increases by 0.5 percent, beginning with the increase effective for December 1996. Estimates are shown below under the program modified by the reduced benefit increases, as well as under present law. The estimates are based on the intermediate assumptions in the 1995 Trustees Report.

	Present law	Modified program
Actuarial balance over next 75 years, as a percent of taxable earnings	−2.17	−1.44
First year in which expenditures exceed tax income	2013	2015
First year in which expenditures exceed total income	2020	2024
Year of exhaustion	2030	2036

HARRY C. BALLANTYNE,
Chief Actuary.

Mr. NUNN. Mr. President, I rise today in support of the so-called centrist coalition's substitute for the fiscal year 1997 budget resolution. I congratulate Senator CHAFEE and Senator BREAUX for their leadership in bringing this substitute before the Senate.

As Senator CHAFEE and Senator BREAUX have indicated, this bipartisan substitute is offered by 22 Senators—11 Republicans and 11 Democrats. The substitute is the result of many months of bipartisan work. I believe it is a sustainable package which if enacted would bring the Federal budget into balance in 7 years.

We offer this Chafee-Breaux substitute in the spirit of compromise. Each one of its sponsors can point to elements which he or she disagrees with. However, on the whole, we believe it to be more realistic than the proposals offered by the White House or the Senate Budget Committee. For instance on entitlement reform, the substitute reduces the expected growth rates for Medicare, Medicaid, welfare and other mandatory programs more than the proposal President Clinton offered in January, but less than reductions offered by the Senate Republicans in the underlying budget resolution. The same is true with respect to the proposed tax cuts included in the substitute.

For the record, I question the necessity and the wisdom of a tax cut at this time. For Congress to propose to enact a tax cut which runs concurrent with or actually precedes the spending reductions set forth in the budget resolution is akin to the board of trustees for a bankrupt company declaring a dividend before it begins the necessary steps to bring the company's operations into balance.

However, I realize that compromise is an essential part of this process and I support the Chafee-Breaux substitute's tax provisions. These provisions call for a net tax reduction of $105 billion over 7 years—which is roughly two-thirds the size of the proposed cuts in the Senate budget resolution, but larger than those cuts proposed by the President.

The areas where the Chafee-Breaux substitute diverges dramatically from either the Budget Committee proposal or the White House's proposal are: First, the change in the calculation of the consumer price index [CPI]; and second, the proposed reductions in discretionary spending.

With respect to the CPI calculation, the Chafee-Breaux substitute calls for a reduction of .5 percent per year every year for 7 years. Such a change would produce $126 billion in savings over 7 years. Almost every economist agrees that our current method of calculating CPI overstates inflation due to substitution bias, the difficulty in measuring changes in quality, and other factors. The Boskin Commission, headed up by Michael Boskin, the chief economic advisor to President Bush, believed that the CPI should be reduced from between .7 percent to 2.0 percent annually. I realize this component of the substitute will not be popular with many of our colleagues and our constituents, but such a step is necessary not only to reach our short-term goal of balancing the budget in seven years but in order to sustain a balanced budget in the longer term when the ''baby boom'' generation begins to retire.

The budget resolution before the Senate proposes to reduce discretionary spending by over $296 billion over 6 years. I do not believe such reductions are realistic or sustainable. This figures amount to a hard freeze plus about $30 billion in additional discretionary spending cuts. If enacted, I foresee future Congresses faced with the choice of devastating popular domestic programs like Head Start or the space station, or foregoing the defense modernization needed to make sure our military maintains its technological edge in the next century.

The Chafee-Breaux substitute calls a reduction of $268 billion in discretionary spending over 7 years. These are significant, but sustainable savings.

I would like to add a final note. If we do enact this proposal and get the budget balanced in 7 years, we still have a long way to go. This Congress and this country will have to look at a 20- to 30-year fiscal picture. We will have to set in motion today reforms that can be implemented very gradually and very slowly. We have to reform Social Security. We have to reform Medicare. We can do both gradually so that retired people or people about to retire are not harmed, but we must address these issues now for the generations that will follow us.

Mr. President, the Chafee-Breaux proposal is the last train in the congressional station if we are going to enact a balanced budget proposal this session. The proposal shows that a bipartisan agreement on balancing the budget is achievable—we only need the willpower to achieve it. An agreement is within reach. If we fail to act, it will only make future efforts more difficult.

Our forefathers worked and toiled to provide us with our current prosperity. If we fail to do the same, by continuing to ignore the deficit problem, our legacy to our children and grandchildren will be a higher debt and a lower standard of living. But if we succeed, once we get beyond the difficulties of adjusting our spending down to what we can actually afford, we will start to reap the benefits that flow from a balanced budget: higher investment, higher productivity, more economic growth, and higher standards of living.

Mr. BREAUX. Mr. President, I yield to the distinguished Senator from California 10 minutes.

Mrs. FEINSTEIN. I thank the Senator from Louisiana. I thank the Chair.

Mr. President, in my short 3-year tenure in this body, I have never seen a better experience in working across the aisle than the effort that the centrist coalition has gone through since last October. I can only give my strongest accolades to Senator CHAFEE and to Senator BREAUX, who called us together in meeting after meeting and listened patiently to what each one of us had to say. We discussed it. We voted. We went back and forth, figures and calculations were done and redone when they had to be, and decisions were made.

I think everyone in this coalition, all 22 of us, 11 Republicans, 11 Democrats, accepts a basic premise that we have to address the budget deficit. I want to give you three basic facts on which this premise is based. In 1963, less than 30 percent of all Federal spending paid for interest and entitlements; more than 70 percent of our spending paid for discretionary programs—defense, education, training, R&D, roads, and bridges. Today, it is reversed. Two-thirds of spending addresses entitlements, not on budget, and interest, about which we can do nothing. Only one-third goes for discretionary programs.

By 2003, more than 70 percent of all spending will be directed at interest and entitlements, blocking our ability to make needed investments in education, research, and strengthen the economy. I will never forget when friend and colleague Senator CONRAD, in one of our meetings, said in a very emotional and very forthright way, ''You know, the choices are twofold: Either we agree to act now or we agree to reduce all benefits across the board by one-third and set tax rates at 80 percent or more for our children.'' In fact, that is the choice. Either do one of those options or do something that crosses party lines.

I, like Senator CHAFEE, like Senator BREAUX, like the others amongst us, truly believes that unless we have something that is bipartisan and crosses the aisle, we will not have the votes to affect a 7-year balanced budget. If we do nothing, by the year 2012 entitlements and interest payments will grow so rapidly that they will consume all tax revenues. By 2000, interest payments will increase by more than 50 percent, pass national defense in size, and trail only Social Security as the second-largest Federal expenditure.

So we have to move. The bottom line of this budget is that it is balanced over 7 years after thorough and comprehensive review of all areas of spending and continues the strict spending discipline for discretionary spending.

As you have heard, the centrist plan includes approximately $154 billion in Medicare savings, $62 billion in Medicaid savings, $50 billion in welfare savings, and more than $50 billion from a diverse range of other programs, including housing, energy, natural resources, civil service retirement, veterans, debt collections and telecommunications. Additionally, the plan adopts $25 billion in savings by closing tax loopholes.

Let me quickly walk through some of the elements of the plan. For Medicare, the plan adopts about $154 billion in savings over the next 7 years. The centrist plan rejects the steep cuts in Medicare to pay for tax breaks, but generates the needed savings through sound and pragmatic steps. It reduces the rate of increases for payments to physicians, hospitals, and nursing homes, outpatient services, durable medical equipment, and other payments. It establishes means testing on part B premiums for the wealthy. It freezes certain payments for home health agencies, such as visiting nurses in the home, while a system of fixed, preset payments is implemented. It strengthens enforcement against fraud and abuse. If the savings are applied to the trust fund, the funds solvency is extended just like the other budget plans.

I would also like to address Medicaid. The centrist plan preserves Medicaid as the insurer for the disabled, the elderly in nursing homes, and low-income Americans, who have no other coverage. It reduces taxpayer costs by changing to fixed allocations and fixed growth rates. It facilitates expansion of managed care, a cost savings trend that California has led. However, we offer a balanced plan. It rejects the idea of permitting each Governor to define disabled, continues the current State partnership matching rates and it retains Federal nursing home standards.

We also enact substantial welfare reform. The centrist plan creates a welfare block grant, and requires States to continue to pay their fair share. It creates a contingency fund, provides more child care funding than the other plans, with about $14.7 billion, requires 100 percent maintenance of effort and a State matching fund. It has 50 percent work standard by the year 2006, but maintains the Nation's safety net. It allows a waiver for work for single parents with children who cannot work or have no access to child care. It has a 20-hour work option for States, and a State would have the option to deny benefits to additional children born while on welfare. It clamps down on SSI, denying benefits for addicts or alcoholics.

The CPI, which Senator BREAUX has just addressed, is an important element of the plan. Senator BREAUX raises an important point that we should all keep in mind. This centrist plan will continue to provide that someone receiving a COLA for a Federal benefit will, in fact, receive a full, accurate COLA. They will be able to count on it.

I want to touch on the tax plan. Some say we should adopt no tax plan at all and that has been a point of contention between the two parties. We take what I believe is a modest, fair tax plan—providing a net $105 billion in tax cuts and a gross $130 billion of tax cuts.

This is how the plan works out: About $67 billion of the tax cut is our child tax credit. We all agreed to a plan put forward by Senator LIEBERMAN of Connecticut creating a KidSave IRA, where there is a $250 child tax credit, which increases to $500 if that money is put into an IRA. The plan seeks to provide about $11 billion for IRA increases and $1 billion is for educational assistance, offering a deduction for higher education expenses, interest on student loans, and penalty-free IRA withdrawals for education. Additionally, our centrist plan raises the self-employed deduction for health expenses from 30 to 50 percent.

I would also like to address capital gains tax reform. I am one Democrat that ran for this office on capital gains reductions. Why? Because it makes sense. It helps the economy create jobs. It spurs investment. Our plan includes capital gains reform, dropping the corporate capital gains rate, from 34 to 31 percent, and seeks to cut individual capital gains, maximum bracket, from 28 to 19 percent. Our plan also provides estate tax reform to assist family-owned businesses and extends important, expired tax provisions like the R&D tax credit and the orphan drug

tax credit and others on a revenue-neutral basis.

This plan may not have everything. In fact, it includes some things I do not support. However, I am never going to get everything I want. Nor is anyone else in this body. So maybe by acknowledging that is sort of the first point of a budget anonymous program, somewhat like Alcoholics Anonymous. The only way to stop is to agree to something that, in the main, meets our basic contention and goals.

This plan will help strengthen the economy. It will promote economic growth. It is fair, it is just, it is balanced, and it affects everyone evenly, right across the board. I believe the other House can support it, and I believe that, if the President takes a good look at it, he can support it, too. If we enact this plan, this Congress will have delivered on its commitment to enact a balanced budget within the 7-year period.

I thank the Chair and yield the floor.

Mr. CHAFEE. Mr. President, first, I congratulate all the speakers that have spoken so far this evening.

Now I will yield such time as the Senator from Utah would like. Would he suggest 10 minutes?

Mr. BENNETT. Yes.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Thank you. Mr. President, I want to join in paying tribute to Senators CHAFEE, BREAUX, and DOMENICI. Even though Senator DOMENICI is not part of our group, he has given us at least a friendly handshake as we have gone about this and made it clear that he is not opposed to our effort. I certify my support for these Members of the Senate because, as I sit here and listen to them, I realize that unlike some of our colleagues on both sides of the aisle, indeed, unlike myself on occasion, they have approached this problem with a desire to legislate the solution rather than craft a political position. And I think that is in the highest tradition of this body. I am proud to be associated with them, and I am proud of them.

There are those who have tried to craft a political position out of the budget on both sides of the extreme. And there are those, frankly, who have tried to craft a political position in the middle and posture as the reasonable ones in the middle. The problem with those who have tried that is that they have never reached across the partisan aisle and tried to bring in people who really disagree with them in an effort to legislate. My father used to say, ''We legislate at the highest level at which we can obtain a majority.'' I find that to be a good summary of the process around here. I congratulate, again, these Senators for their effort to try to obtain a majority and try to legislate the problem.

Now, when I am out in my home State and I tell people about this group and then say to them that I am part of it, I receive the highest applause and the highest praise of any position that I take. The people of my State, who are viewed generally in the Nation as being fairly right-wing—Utah is viewed as being the most reliable Republican State in the Nation—are as excited about the idea of a bipartisan solution to this problem as they are about any Republican position that I present to them as I am there in town meetings and in other conversations.

Now, this is an enormously complicated problem. We have heard some of the details from the Senator from California, and we have heard some of the statistics and details from the Senator from Rhode Island. We will hear more as this goes on.

Whenever you are faced with a problem as complicated as this one—I know of none more complicated—the one thing you want to be absolutely sure you are working with is correct numbers. You cannot run the risk of making these gigantic decisions on the basis of numbers that are wrong because, if you do, you are going to get a result that is wrong sure as you are sitting here.

If I may go back to my private life experience and give you an example that comes to mind as I deal with this, I was once a consultant to a business that was having some problems. One of their problems was that they were shifting from a manual accounting system over to a computer accounting system. That dates me, I suppose. This obviously took place in the last decade when computers were new. As a result of their shifting from a manual accounting system to a computer-driven system, they flew for about 6 months without any accurate numbers. They did not really know what their sales were. They did not really know what their costs were. Most important, in retrospect, they did not know that they had by a very small amount missed the percentage of their sales that should be ascribed to inventory costs. Their inventory costs were off just a small percentage all the way through. When they finally finished the transfer from the manual accounting to the computer accounting, now they were 6 months behind and they had to bring these other statements up to speed.

Finally, they got to the end of the year and they did what every business does at the end of the year. They took physical inventory. They were flying along knowing that they were losing a little bit of money, and they took physical inventory where they were forced to adjust to reality, and, instead of a narrow loss, they had a $3 million loss. For a company that size, that was sufficient to cause the bank to call the loan, the board to fire the chief executive officer, and a series of assets to be sold to try to make up the difference. If they had only known while they were flying in that mission that they had made this small adjustment that kept chipping away at their profits at every single sale, a few cents here, a few cents there, a dollar or two here, a dollar or two there, and as the sales washed through for a whole year, a $3 million inventory adjustment at the end of the year.

We are doing the same thing, Mr. President. The CPI is wrong. It is wrong on the high side, and everybody knows it. But we are flying just as blind as that business did, and we are letting that adjustment chip away every day in every Social Security check, in every Medicare payment, and in every wage adjustment that little error gets chipped away again and again and again. When the bill finally comes, not in the form of the physical inventory at the end of the year but in the form of an enormous national debt and national deficit, we will not be able to solve it by firing the Chief Executive. We renew his contract every 4 years anyway, and we only give him two shots at the job by the Constitution.

We will not be able to solve it by selling off a few assets. We will not be able to solve it by renegotiating our line of credit at the bank.

The most important thing in this centrist coalition proposal is the courage to face the facts that the CPI is wrong. I have heard on the floor we have not had hearings on this. Yes, we have. The Finance Committee has had enough hearings. The leading and senior members of the Finance Committee take the floor and say to us that this is something we must do. We are being told it is going to hurt people too much. Is it going to hurt people as much as having the whole program go bankrupt? Is it going to hurt people too much to make that little adjustment and thereby avoid the end of the year inventory adjustment that hits you like an atomic bomb? No; Mr. President, the most important thing you have to do when you are faced with the problem of this complexity is to have good numbers. The most important people in the world, dry and dull as they may be in this kind of a circumstance, are the cost accountants, the ones who give you the sound numbers that you are dealing with. Once they have given you the numbers, fine, get them out of the room and let the policymakers make the decisions, but let them make the decisions on sound numbers.

So there are many things in this proposal that I disagree with. There are many things in this proposal that I really do not like, and I would have gone a lot farther than the centrist coalition would have gone in a number of areas. There were times when I was willing to walk out of the room and say, ''No. You have crafted something I can't possibly support.''

The thing that brings me back and the thing that brings me to the floor tonight is the courage of this group to move in the direction of right numbers, to move in the direction of properly monitoring what is really happening in the economy and thereby avoiding that

inevitable day of reckoning that comes when you let the wrong numbers chip away at you day after day, month after month, and year after year.

In the chart that the Senator from Rhode Island gave us, we see the result of that constant chipping away, and we see the projection of where it will be.

Mr. President, this is a courageous act of proper legislation, and I am happy to be a part of the effort.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Louisiana.

Mr. BREAUX. I commend the statement of the Senator, and I yield 10 minutes to Senator CONRAD.

Mr. CONRAD. Mr. President, I thank the Senator from Louisiana. I, too, want to join our group in thanking Senator CHAFEE and Senator BREAUX for an outstanding effort to have the two sides, Republicans and Democrats, join together in an attempt to bring our fiscal house into order.

Mr. President, I have been in the Senate now 9 years. As I look back, I have never been more proud to be part of a group than I am proud to be part of this one because I think for 5 months—maybe 6 months now—we have worked together in good faith to do something important for our country.

I just say that this is the way I think the Senate ought to operate. There were no raised voices. There were no press conferences. There was no political posturing. There were honest disagreements. There were serious debates. At the end of the day, we resolved matters, we reached agreement, we bridged differences, and we came to a conclusion.

That conclusion is a plan that is before us now; a 7-year plan to bring unified balance to our budget. I stress unified balance to our budget and doing it in a way that is, I believe, a fair and responsible compromise between two sides that have some distances on many issues.

Mr. President, again I want to salute Senator CHAFEE and Senator BREAUX. They provided outstanding leadership in keeping this group together.

But I also wanted to commend publicly each and every member of this group because they were willing to put partisan differences aside in order to accomplish a larger result.

I commend the statement that was earlier made by my colleague from California, Senator FEINSTEIN. I thought it was an outstanding statement of why this group hung together and why this group felt it was important to reach a result. I thank her not only for her outstanding statement here on the floor this evening but for the excellent work that she did in participating in the efforts of this 22-member group.

I thank Senator FEINSTEIN.

I also want to thank the Senator in the chair, Senator BENNETT, who I have come to appreciate greatly for the kind of background that he has as evidenced by the story he told tonight, an excellent story that applies to what was happening in the real world in business to what is happening to our country, because there is no question that we are headed for a cliff.

Our colleague from Colorado this afternoon described it well. We are headed for a cliff in this country. There is absolutely no question about it. There is nobody in this Chamber who can stand up and dispute the fact that we are headed for a circumstance in which future generations either face a lifetime net tax rate of over 80 percent or a one-third cut in benefits.

Maybe we are off by a couple of percentage points here or there. Maybe the entitlements commission, maybe the generational accounting effort are off by a few percentage points, but the unmistakable conclusion that any rational person can arrive at is that we are on a course that cannot be sustained. It must be changed. And the sooner we do it, the better off we are.

I see my colleague from Washington, Senator GORTON, on the floor. He made a significant contribution to this group as well, willing to debate and discuss these differences and to resolve them in a way that did not satisfy either side completely. There is no question the Presiding Officer, Senator BENNETT, would have preferred more Medicare reform—very clear to this Senator. The Senator from Utah was ready to go further in cuts in many of these categories. I think that is true of the Senator from Washington as well.

On the other hand, I would have preferred no tax cut until we balance the budget—my own preference. But that was not the consensus of the group. Those in this group believed that achieving a result was more important than any one of us getting exactly what we wanted. That is exactly the example that needs to be set for this body and for the other one, because if we are going to act like grownups, we are not going to get precisely what we want. But for the good of the country, we desperately need to achieve the result of moving toward balance and getting our fiscal house in order.

I feel very, very strongly about the need for us to come together to achieve this result. We all know where we are headed. We are headed for a calamity. I think very often about what I am going to say to my daughter, who is 18 years old, 10 years from now, 20 years from now when she asks me: ''Dad, what were you doing there in the Senate? You were on the Budget Committee. You were on the Finance Committee. Our country is in deep trouble now and all of this must have been known when you were there. Why didn't you act?''

Mr. President, all of us are going to face those questions at some time in the future if we continue to fail to act, because it is abundantly clear where we are headed.

I am going to speak just momentarily on the question of the CPI. I know there are people who feel very strongly in opposition to that proposal. I feel very strongly in support of it because I think it is clear that measures like a technical correction in the CPI are absolutely essential if we are going to get our fiscal house in order. If we are going to preserve Social Security, if we are going to preserve an economic system in this country that is strong and competitive, we have no choice.

We are headed for a circumstance in which Social Security is exhausted of funds in the year 2030. The first year in which expenditures exceed total income will be 2020. The first year in which expenditures exceed tax income will come in 2013. These are not my numbers. These are not the numbers of the centrist coalition. These are the numbers of Harry Ballantyne, the chief actuary for the Social Security system. He says we are headed for the cliff.

It was said earlier in the Chamber that there have been no hearings on the question of CPI. That is not the case. We have had three hearings in the Senate Finance Committee—March 13 of 1995, April 6, and June 6 of 1995—three hearings on this question. And it is very interesting to recount what happened in those hearings. We had witness after witness who told us the CPI, the Consumer Price Index, is overstating the cost of living.

Let me just put in perspective what that means. A 1 percent overstatement, a mistake by 1 percent, will cost this country $600 billion over 10 years—not $600 million, $600 billion. That is a mistake, a mistake that is going to cost this country $600 billion. Can we not correct a mistake in this Chamber?

Now, let us look at the evidence. What did the experts who came and testified before the Senate Finance Committee tell us? And I might add, a bipartisan group—a bipartisan group.

Chairman Greenspan, head of the Federal Reserve, came in in the first hearing, and he said the overstatement is from 0.5 to 1.5; Dr. Robert Gordon, Northwestern University, Department of Economics, minimum overstatement, 1.7 percent; Director June O'Neill of the Congressional Budget Office, 0.2 to 0.8. At the April 6 hearing, Dale Jorgenson, Harvard University, chairman of economics, overstatement of the CPI, 1 percent; Dr. Erwin Diewert, University of British Columbia, Department of Economics, acknowledged expert in the field, overstatement, 1.3 to 1.7 percent; Dr. Ariel Pakes, Yale University, Department of Economics, overstatement of 0.8 percent. June 6 hearing, Dr. Michael Boskin, senior fellow, Hoover Institute, Stanford University, overstatement of the CPI, of the cost of living, at least 1 percentage point, maybe 2; Dr. Ellen Dulberger, director, strategy and economic analysis for IBM, CPI overstatement is greater than others have stated and likely to grow; Dr. Zvi Griliches, Harvard University, Department of Economics, overstatement is 0.4 to 1.6 percent.

I would ask my colleague for one additional minute.

Mr. BREAUX. One additional minute.

Mr. CONRAD. Two other witnesses on that day offered no estimate as to the overstatement.

The evidence is clear and abundant. The Consumer Price Index overstates the cost of living. If that is true, and I believe it is, then we know that if it is a 1 percent overstatement, it is costing this country $600 billion over the next 10 years.

We are on a course now we know cannot be sustained. Why would we not correct a mistake if we know it is occurring?

It was earlier stated that correcting the CPI will not improve the solvency of the Social Security trust fund. That is not accurate. We have a memo from Mr. Ballantyne, the chief actuary, in which he says: The actuarial balance over the next 75 years as a percentage of taxable earnings is out of balance by a negative 2.17 percent. Just this change, a modest correction of one-half of 1 percent, will improve that actuarial balance by a factor of one-third. It does one-third of what we need to do if we are to secure the future solvency of the Social Security trust fund.

Mr. President, I yield the floor and again commend my colleagues for what I think has been an outstanding effort.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator for a very powerful statement. He has always made outstanding contributions and continued those contributions today.

I yield 10 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, the function of the debate in this U.S. Senate is only on rare occasions designed to persuade other Members of the U.S. Senate to adopt a particular position. This is one of those occasions. If we reflect on previous budgets, we understand that if the majority party in Congress is the party opposite the President, the operative phrase is, ''The President's budget is dead on arrival.'' If the majority party is the same as that of the President, all reservations about a budget are withheld and that party will defend even those elements in a budget it knows to be fraudulent or unsound.

In other words, most of the time we use our opportunities here, not to talk to our colleagues, but to talk either to the people of the United States as a whole or in an attempt to come up with some blithe phrase that will appear in television or in the morning newspaper. But again, Mr. President, this is not such an occasion. It is an occasion on which we are genuinely addressing ourselves to many of our colleagues on a vitally important issue on which they have not entirely made up their minds.

Why? Because for years, perhaps for decades, we have not had a sound and thorough and broadly supported bipartisan approach to the major fiscal and budgetary issues that are facing this country. So many of the colleagues beyond the 11 of us on each side who have prepared this have talked to us privately and said, ''I really sort of like what you are doing. Gosh, I don't know whether I can afford to vote for it if it doesn't have any chance for success, but I think you are moving in the right direction.'' We are here to persuade them that not only are we moving in the right direction, but the time has come for them to move in that direction with us.

First, of course, because this is the first truly bipartisan opportunity we have had to pass something that will be accepted by the country as a whole and, we hope, ultimately by the President of the United States. One of the reasons that it should be so is that this is substantively the soundest of all the proposals with which we have been presented. It has the best and most effective and broadest based reforms of entitlement programs, some of which do not even appear in the statistics for these 6 years because their impact will primarily or solely be felt after the 6 years are up, but will have a tremendous positive impact toward solving challenges that we know will exist at that particular period of time: The age of Medicare eligibility, the Consumer Price Index, means testing the premiums for Medicare part B, a pretty thorough welfare reform.

Second, this is the most realistic budget because it deals most fairly and realistically with domestic discretionary spending. The President's budget allows it to go up in the immediate future and then it drops off the cliff in the end. We know that will not happen. The Republican budget does much less than that, but nonetheless the further we get down the road, the more unrealistic its figures for domestic discretionary spending are. What is that? Spending on education, on law enforcement, on medical research, on all forms of transportation, on the environment, on national parks, on myriad responsibilities which have been increasingly squeezed.

As the Senator from New Mexico knows very well, dozens of the amendments that he has had to deal with in the last 2 or 3 days have said, ''hold harmless—'' you fill in the blank, whatever the individual sponsor's pet project is, hold that harmless. We will probably vote for a bunch of those, but we know they are utterly unrealistic. If we follow the road we are on today, there will not be any money left for them. None of them, not even the defense of the United States of America, will be held harmless.

This is a good budget because it does provide for tax reductions for Americans who feel they are overtaxed. It spreads them out more modestly than do some other budget proposals, but nonetheless in all of the areas in which legitimately people can claim that they are too highly taxed.

My friend, perhaps my closest friend in this body, the chairman of the Budget Committee, the Senator from New Mexico, said something a couple of hours ago which really struck home. He said maybe we will never get to this real solution, including the hard kind of choices that are involved in this budget, until we have Presidential leadership. For years at home I was saying exactly that, maybe even more pessimistically. I felt you would never get to it except in the first year after a brand new Presidency, when a new President can say that none of this was his or her fault. Yet I think the actions of my friend, the Senator from New Mexico, belie that statement because last year he led us in this body and in the House of Representatives to pass an honest balanced budget, the first one in 30 years. It was, unfortunately, vetoed, but he must be eternally optimistic. He has another one for us here. The problem is, if we enforce it, it will probably be vetoed as well.

So it seems to me that we ought to try a different course of action, a course of action that binds together Members of both parties. Maybe it will not work. It certainly will not work if those Members who privately agree with us say, ''It will not work and I do not dare vote for it.'' Maybe if it does work in this body, it will not work in the House of Representatives. But we will never know unless we pass it in this body. Maybe if it passes both this body and the House of Representatives, the President will still veto whatever enforcement mechanisms come out of it. Certainly he has given us no encouragement so far. But we will never know unless we give him that opportunity. That veto would be in the teeth of almost every important group and, I suspect, newspaper and editorial writer in this country who really does long for a solution like this one proposed by Senator CHAFEE and by Senator BREAUX.

So, to those in this body who say privately this is a good idea if only someone else higher up would go along with it, I say, ''Please come on in. You have an opportunity that you and your predecessors have not had perhaps for decades. The time is now. The challenge is tremendous. We need to do it for ourselves, for our children, for our grandchildren, for our country.''

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I congratulate the Senator from Washington for a very, very powerful statement. I think it greatly helps our cause. I thank him very much.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, I yield 5 minutes to the distinguished Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, let me join with my colleagues on the floor in

commending Senators BREAUX and CHAFEE for their bipartisan leadership in bringing us to this moment. I think for the American people who have watched this body from the viewpoint of their television sets in their homes, or who have listened to what we have said about each other in countless news reports, it will come as a complete surprise that during a very labored and extended period of negotiations on this budget there was an absence of recrimination, there was an absence of harsh, partisan rhetoric at all points throughout the entire period of the past 7 months where we have endured two Government shutdowns and 13 continuing resolutions. Always we pushed forward, trying to achieve ultimately a balanced budget agreement that represented a consensus.

Our coalition considered a number of balanced budget proposals. We looked at the President's proposal, we looked at the National Governors' proposal, and we looked at the House and Senate versions of the bill, and we included elements of each of these proposals in our final plan. Our burgeoning Federal deficit is the greatest domestic crisis facing our country today. It is devouring our savings, robbing our ability to invest in infrastructure and education, and saddling our children with a staggering debt that will eventually have to be paid.

As recently as 1980, cumulative Federal debt in this country was $910 billion. A decade later that debt tripled. Today it stands at nearly $5 trillion. If we do not balance the budget today and if we continue on our path of irresponsible spending, here are a few examples of what will occur.

In the year 2000, annual interest payments on the Federal deficit will grow to approximately $305 billion, an increase of more than 50 percent in just 4 years. And in that same year, interest payments on the debt will surpass defense spending and become the largest Federal expenditure.

By the year 2012, unless policies changes are enacted, projected spending on entitlement programs and interest on the debt will grow so rapidly that they will consume all tax revenues collected by the Federal Government.

In that same year of 2012, unless changes are made, theoretically we could close all Federal prisons, national parks, the Pentagon and eliminate spending and research and development, education, roads and bridges and still not have enough savings to eliminate the deficit.

By the year 2030, to bring the deficit down to the current level, the Bipartisan Commission on Entitlements and Tax Reform has concluded that either all Federal taxes would have to be increased by 85 percent or all Federal spending programs would have to be cut in half.

Mr. President, history has shown that nothing is more desired and yet nothing is more avoided than the will to make the tough choices. The last time that we balanced the Federal budget, Richard Nixon was in the White House and the year was 1969.

The centrist coalition balanced budget plan is fair. It restructures and reforms Federal programs that are inefficient while scaling back spending. We have adopted a responsible policy of gradual reduction in spending over 7 years to reach a true balanced budget.

For instance, our balanced budget plan saves $106 billion in Medicare over 6 years and protects its long-term solvency. We expand the choices for Medicare beneficiaries by allowing them to remain in the traditional fee-for-service Medicare Program or to choose from a range of private managed care plans.

By creating a new payment system for managed care and by slowing the rate of growth in payments to hospitals, physicians and other service providers, our plan extends the solvency of the Medicare trust fund.

Our Medicare reform plan saves $41 billion over 6 years and protects the most vulnerable in our Nation. In so doing, we incorporated another series of proposals advanced in a bipartisan fashion by our Nation's Governors. Our plan maintains a national guarantee of coverage for low-income pregnant women, children, the elderly and the disabled, and we allow States to design health care delivery systems which best suit their needs without obtaining waivers from the Federal Government.

Under this plan, States can determine provider rates, create managed care programs and development home and community based options for seniors to help them out of their problems.

Our welfare reform language saves $45 billion in 6 years and includes very strong work provisions as well.

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

Mr. BRYAN. Mr. President, I ask the distinguished Senator for another minute.

Mr. BREAUX. I yield another minute to the Senator.

Mr. BRYAN. Let me just say, although a number of us would have preferred our focus be exclusively balancing the budget and deferring any tax reductions until after that balanced budget was achieved, we recognized that the only way we could build a consensus to bring 22 of us together was if we yielded to those concessions by striking what I believe is a responsible compromise with those who would offer far more in terms of tax cuts, which I believe we can ill-afford to incur until we do balance the budget with a reasonable midline approach.

Finally, let me just say, Mr. President, that I think the window of opportunity is narrowing. We have an opportunity in this Congress, with the momentum that this coalition has brought together, to achieve a positive and lasting result. I urge my colleagues to accept this proposal.

I yield the floor, and I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BREAUX. Mr. President, how much time do I have remaining on the allocation of time?

The PRESIDING OFFICER. Three minutes.

Mr. EXON. Mr. President, I yield the additional 3 minutes that the Senator from Louisiana needs to assist the Senator from Virginia.

Mr. BREAUX. I thank very much the distinguished Senator from Nebraska and yield 5 minutes to the Senator from Virginia, Senator ROBB.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Thank you, Mr. President, and I thank my fellow Senators.

Mr. President, I rise in strong support of the centrist coalition substitute budget resolution. I join in commending Senators CHAFEE and BREAUX for their leadership in this effort. This resolution reflects the hard work and compromise of over 20 Senators, Republicans and Democrats, who came together months ago in search of a realistic solution to a serious problem. We came together out of a sense of frustration, but we worked together with a sense of purpose, believing that our fiscal problems really can be solved. We vowed at the outset that we would produce a balanced budget plan that was credible, and we did. We vowed we would confront the tough choices, and we did. The budget we produced deserves the serious consideration of every Member of this body because it is real, it is tough, it is principled, and it reaches balance in 7 years.

Mr. President, as we craft a blueprint for the way we spend our Federal dollars in the next few years, we have a responsibility to find ways to continue to strengthen our Nation economically.

How can we do that? We strengthen our Nation when we reduce the level of Government borrowing from the private sector. We strengthen our Nation when we make investments that enhance productivity and increase wages. We strengthen our Nation when we provide real economic opportunity to all of our citizens. And while these are bedrock principles of our centrist plan, the existing budget plans backload cuts in discretionary spending which make it virtually impossible to get there from here. Either discretionary programs will be decimated in the outyears or the budget will go right back in the red.

The other plans being considered require deeper cuts with respect to discretionary spending than our plan because they include either too large a tax cut or they refuse to tackle absolutely essential entitlement reform. In both cases, critical investments in people, like education and training, and important investments in technology, like research and development, are jeopardized. The cuts in discretionary spending included in existing budget plans should be of enormous concern to

Members of my own party who understand, as I do, the ability of Government to improve people's lives, indeed, who believe in its responsibility of Government to invest in our people and to serve as a catalyst for hope and opportunity where none exists.

Mr. President, if we do not end up with a responsible budget agreement, how many children will get Head Start in the year 2002? How many Pell grants will go to poor children in the South? How many mothers will get WIC? How many Federal research dollars will go to colleges? How many Federal highways will be built in our States?

If we fail to make these kinds of investments, we will weaken our Nation. So how do we craft an honest budget that allows us to continue to invest in our Nation? The answer is tough medicine for everyone. It is forsaking the large tax cut and making significant, but principled, reductions in entitlements, and our centrist budget does both.

We include a more modest tax cut, even though most of us are very much opposed to any tax cut until we actually balance the budget, and we make a solid start on entitlement reform. By adjusting the Consumer Price Index and asking that those seniors who can afford to pay more for their health coverage do so, we spread the sacrifice and protect our Nation's ability to provide a safety net for our most vulnerable citizens.

But we all know, Mr. President, that the 7-year budget we offer today is just a downpayment on our sacrifice. We are going to need to ask a whole lot more of our people, even though this is an essential downpayment. For if we move outside our 7-year budget window to the year 2012, we see an even bleaker future with entitlements and interest on the debt consuming every single tax dollar the Federal Government will take in. And after that, it gets even worse.

So I urge my colleagues to give this centrist budget resolution their careful and thoughtful consideration.

It reflects bipartisanship, moderation, compromise, and a willingness to tackle entitlement reform. It reflects good public policy as well. With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I yield to the Senator from Vermont. I believe I have 6 minutes left.

The PRESIDING OFFICER. That is correct.

Mr. CHAFEE. I yield him 5 minutes.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I am pleased to be here to speak in favor of the centrist budget request. I remember so many years ago when I was in the House when we had a similar problem with the inability to get together on a budget.

A number of us in the middle decided we would put together the answer to the budget. We worked very hard on it. We did a good job. We then went to the votes. There were three choices. There was the liberal, there was the conservative, and there was the middle.

The liberal budget went down by a fair number of votes. The conservative budget went down by a fair number of votes. We thought, Wow, we're right in the middle here. We're going to get all the votes. We got fewer than anybody. My point is, perhaps I know we are not going to win tonight, but I bet the budget we end up with in the final analysis is going to be very close to what we are proposing here tonight.

Let me talk a little bit about what the major problems are. First of all, we have accomplished quite a bit this year. We recognize there is a problem. For the first time in my memory in this Congress for over 23 years, there is a consensus that we have to have a balanced budget. The President agrees we have to have a balanced budget. The House and Senate do.

But how do you get there? You do not get there by any easy way. There is no easy way to a balanced budget. You have to tackle the toughest aspects of it.

One of those, which I spoke about at some length on Friday, is health care. One-half of the budget problem is the fact that we have not a health care system where the Federal costs are under control. That can be done, but only if we have the willpower to do it and to get to capitated payments on the Federal side.

Previously, I have spoken about the need for us to look to the future. All you have to do is buy the Atlantic Monthly if you want to see how deep the trouble is that we are in. This month's Atlantic Monthly shows, if we do not do something about Social Security, if we do not change the rate at which it is paid out, by the year 2040, I think it is, they say the annual deficit in Social Security will be $766 billion.

We cannot wait until then. What is one thing we can do? We can take a realistic look at that thing here that controls our entitlement programs. That is the CPI. It takes courage to do that because every interest group is going to be screaming at you if you do. But not too long from now we will find there will be revealed to us the experts' analysis of what that CPI ought to be. It will be somewhere between 0.7 and 2 percent.

No one is willing to argue that we should decrease the CPI by 2 percent, but we have had the courage to come forward and say we must make a change in this direction. So we have done so with a 0.5 percent decrease in the CPI that, because of the exponential results that you have by going forward with this change, whether it be Social Security or all the other things which are affected by a Consumer Price Index, it will be lower and lower and lower as we go to the future. So if we are ever going to get this budget under control, first we have to get health care costs under control and, secondly, we have to reduce the CPI to a more realistic number. Those two things alone will do it.

I speak also because I am on the discretionary spending committee, the biggest one, Labor and Human Resources. I am also on the Appropriations Committee and on the subcommittee that is in those areas. I know, as a leader of that committee, that there is no way that we are going to be able to do the things that need to be done, in the area of education in particular, unless we get the costs of the entitlements and the costs of health care under control. What do we have to do for education?

Another thing we have accomplished this year. If we do nothing else, we have agreed, the House, the Senate and the President, that we should not cut education. For many years now we have had the realization that we have a horrendous problem of training our young people for employment. That is the other thing which is so critically important, and that is to have a good job. If people do not have good jobs, we do not have the kind of revenues that we can have, we do not have the kind of productivity that this Nation needs and must have in order for us to balance the budget.

In the area of education, we have finally agreed we should not cut. But there is much more that needs to be done in that. I want to say again, I commend Senator CHAFEE and Senator BREAUX for bringing us together to bring us to what we can do to bring this budget under control.

Mr. President, balancing the budget is a task that is long overdue, one that we should have tackled long before the Federal debt began to escalate in the early 1980's. Our carelessness in financial planning is a terrible legacy to leave our children and grandchildren.

When I voted in the House in 1986 against the balanced budget constitutional amendment, I stated at the time we could not wait to balance the budget the number of years required to get it approved by the States. However, 10 years later the situation has become much worse. Now I realize that is imperative we move forward without the amendment. Any further delay will greatly increase the damage to national economic stability.

If we do not begin to balance the budget before the year 2002 our national debt will be a staggering $6.4 trillion. The debt will double again over the next 15 years and quickly redouble again within the next 7 years.

The basic problem is the increasing cost of entitlement programs. These are programs outside of the appropriations process. They have increased well beyond the growth of revenues and population. In addition, it appears through generosity or otherwise they have increased at a rate greater than the actual cost of living created by inflation. Our proposal recognizes this for the future. This will make additional cuts in

discretionary programs such as education less necessary. But it does so in a way which may actually protect these programs from a greater decrease which will be recommended this June by a panel of experts.

The entitlements that have provided the greatest problems are in the area of health care. The increasing projected costs in Medicaid and Medicare represent about one-half of the increasing cost problem. We cannot continue to run a Federal fee for service system. Trying to control costs without controlling utilization has not worked, there are too many ways that costs can be shifted to these programs. Progress in this area will be controlled by more State responsibility. But my colleagues who are on committees of relevant jurisdiction must work to move to a Federal capitated system combined with utilization of private insurance methodologies and Federal guidelines to get these costs under control. It is interesting to note that in 1954 the Eisenhower administration introduced legislation along these lines when it recognized some Federal system was required. The purpose of the bill was, ''to encourage and stimulate private initiative in making good and comprehensive services generally accessible on reasonable terms through adequate health prepayment plans, to the maximum number of people * * * by making a form of reinsurance available for voluntary health service prepayment plans where such reinsurance is needed in order to stimulate the establishment and maintenance of adequate prepayment plans in areas, and with respect to services and classes of persons, for which they are needed.'' I believe this gives us a possible route implemented through individual choice to get us out of our present health care cost mess. We must find the way to control uncontrolled cost shifts and to spread the cost of the sick over the widest base. Hopefully the Finance Committee and the Labor and Human Resource Committee will join in achieving this goal.

Mr. President, like my colleagues in this centrist coalition, I want a Federal budget that is balanced in an equitable manner. In reaching a balanced budget we must be careful not to cut those programs which could be counterproductive to balancing the budget. In other words, cuts in one program can result in increased costs in other programs, thus making it more difficult to balance the budget.

This budget proposal accomplishes this goal by making the tough decisions necessary to balance the budget within 7 years and still maintain a strong commitment to discretionary spending. Unlike other budget proposals, this plan provides for cuts to the overall discretionary spending that are both achievable and modest.

Mr. President, there are many important programs within the discretionary accounts that needed to be maintained. The centrist group realizing the importance of discretionary spending provided modest increases to the discretionary accounts, such as in education and the environment.

Our bipartisian plan contains some $50 million less in discretionary cuts than the latest President's budget, and $121 billion less than the Republican plan. Our plan will leave future Congresses with the ability to adequately fund discretionary programs, while these other plans will leave future Congresses with no choice but to eliminate many important programs. It is unrealistic to think that some future Congress will make these tough decisions, decisions that this Congress is unwilling to do.

I would like to highlight just a few examples of the important of maintaining the discretionary accounts. One example can be seen in Federal health research spending. We are nearing discoveries and new treatments to the causes of many illnesses and diseases, such as Alzheimers and Parkinsons. The centrist coalition provides the flexibility to maintain spending on medical research. It is well known that for every dollar spent on health research, several dollars are saved by the Federal Government. This spending on health research could allow for the ptential to eliminate tens of billions of dollars in Federal health care costs over the next decade or more.

Another example of this group's commitment is in providing adequate education funding. As a group we understand that this Nation faces a crisis—a crisis which is costing us hundreds of billions of dollars in lost revenues, decreased economic productivity and increased social costs, such as welfare, crime, and health care.

Mr. President, business leaders warn us that unless improvements are made in our educational system, our futrue will be even bleaker. The rising costs of higher education combined with the lower income levels of middle-income families is causing thousands not to finish college, and fewer to attend grduate school in critical areas such as math, science, and engineering. As chairman of the Education Subcommittee, I am particulalry concerned about maintaining funding for education, and I have worked with my colleagues in this centrist group to ensure that adequate funding will be protected within education programs.

In order to help solve the deficit problem, and as importantly, to prevent unnecessary hardship to individuals, this group's plan protects the Federal commitment to education, health research, and many other discretionary spending areas by providing the least amount of cuts of any plan yet offered.

Mr. President, I am committed to balancing this budget, but not on the backs of the poor, the elderly, and our children. This budget proposal is the only plan that protects the neediest Americans while balancing the budget.

Now, Mr. President, I would like to comment more specifically on the role of education in our deficit problem.

Today, I will talk about the need to be careful on how we cut, especially in the field of education. I am the chairman of the Senate Education Subcommittee and, therefore, have a particular responsibility to make sure that what we do from this point on does not in any way inhibit the ability of this Nation to be able to meet its commitments to its young, but most importantly its commitments to this Nation that we maintain our ability to be the most competitive and the most economically sound nation in the world.

I am afraid, as I look across the Congress to see where cuts are being made. I also recognize the future needs of our Nation, especially in the area of education. For without immediate attention by this Nation on our educational system, we are facing incredible danger for our economic future. We cannot move forward without recognizing that cuts within the educational system may well prove to be counterproductive—counterproductive in that they will reduce the potential revenues that we would otherwise have and that they will only increase the social costs that we are presently experiencing.

So let me now, as we go into the 21st century, take a look at where we are with respect to education and the need for us, a Nation, to place ourselves in a more competitive position within the international economic community.

In order for our country to remain viable in the global economy we must not only be free from crippling interest payments on our debt, but we must also prioritize our spending so that we maneuver ourselves to be ready to face the challenges of the new millennium. If we do not act now, we will destroy the dreams that we cherish—good health, a good education, a good job, and a good retirement.

Some have proposed that we reduce the deficit simply by making across-the-board cuts on all programs. Such cuts might provide a solution to our financial woes in the short term, but they only exacerbate the deficit in the long term. Here is why. If we cut back on programs for education and training, we lose our competitive edge in the marketplace, resulting in a lower standard of living, fewer high paying jobs, less Federal revenues in taxes, and, naturally, a larger deficit.

On the other hand, if we work to improve our education system, we not only increase our national productivity, but our standard of living will increase, resulting in greater Federal revenues and a decreased need to invest in our social programs.

The deficit will not be solved unless we're willing to solve the causes. Education is critical. It must be improved.

General Marshall stated years ago in his frustration over delays in designing the Marshall plan ''stop kicking the problem around, just solve it.''

I believe this advice applies to the larger problem that we face today. If we solve the larger problem, then this

will solve those immediate ones that we look at with respect to our inability to fund the various programs we all desire to fund. For if we do not improve our educational system, and if we are unable to solve the deficit problem, we cannot ensure that we have the capacity to provide for the programs we need. And then we will find that the problem of balancing our budget is unsolvable and that this Nation will disappear in the next millennium as a lesser nation.

The way to solve the problem of our deficit is not, as some suggest, mindless across-the-board cuts. Solutions to our financial woes are long-term investments—specifically in our education system. By not solving the problem of reduced productivity and higher costs through education failures, interest payments will keep increasing, tax revenues will keep decreasing, and our deficit will only grow larger. More mindless cuts is not the answer. Instead, thoughtful investments and adequate resources are the solution to our long-term fiscal concerns.

Consider for a moment the education spending patterns over the last decade. Since the beginning of the 1980's overall Federal support for education, after adjusting for inflation, has decreased by 5-percent. Funds for elementary and secondary education declined 15 percent, while postsecondary education funds declined 24 percent. Where has that led us? Certainly, not to the first class education system we all support. In fact, using the six education goals developed by a bipartisan group of Governors in 1989 as our barometer, we are not close to reaching our mark of excellence in education.

Among the goals for our future is that our children come to school ready to learn, that they come without hunger, and that they come with the capacity to be able to understand the education that they are going to be faced with. That means they must first be fed, immunized, and, hopefully, have had some preschool experience. However, only 45 percent of young children from low-income families are enrolled in preschool programs and only 55 percent of infants have been fully immunized, protecting them against childhood diseases. Head Start continues to only serve one-fourth of all eligible children in this Nation.

We also recognize that educated people who can compete in the global marketplace require a mastery in challenging core subject areas—such as math and science—and that all adults be literate and prepared for life-long learning. Unfortunately, in these basic areas, we are far from the finish line.

The 1993 National Assessment of Educational Progress indicates more than 75 percent of students at all grade levels failed to achieve even the basic level of proficiency, and over 60 percent failed to meet the proficiency level in English.

In international comparisons, American students consistently score below most other industrialized nations.

In the 1992 international assessment of education progress U.S. 13-year-olds scored second to last among the nations in mathematics achievement, and similarly in science.

More recently, a report recently came out that investigated the literacy of children that graduate from high school. The report found that 51 percent of the students now graduating from our high schools were functionally illiterate. That is, incapable of handling an entry-level job with their educational achievement.

Make no mistake about it. These disturbing statistics are not about someone else's children. They are not someone else's problem. These are our children. These are our problems. Our future work force and our future leaders. The quality of our public schools in America is directly related to the standard of living of each and every citizen. Without a strong investment ion education, this Nation will not be able to maintain an adequate number of highly skilled workers. These workers are necessary if our country is to maintain a competitive position within the global marketplace.

To give you a quick idea of why curing our educational ills is critical and key to our future, we will examine a yearly cost of our failing educational system. The total cost of our failure in education to our economy has been estimated to be one-half trillion dollars each year to our economy.

The lost revenue alone has been estimated to be about $125 billion. That is, if the educational levels were where they should be, the income to the Nation, relative to furnishing our budget, could be higher by $125 billion, putting us a long ways toward being able to have the budget balanced.

For example, American business spends approximately $200 billion a year to perform training for employees which is necessary to provide those individual minimum skills required to perform on the job, skills most of which should have been taught in the schools.

The Department of Education estimates that 30 million Americans are functionally illiterate, another 46 million are marginally literate. This creates a significant problem for our economy. ''Combating Illiteracy in the Workplace,'' by Robert Goddard, puts the cost of this illiteracy at a staggering $225 billion a year. This includes lost productivity, unrealized taxes, crime, welfare, health, housing, and other social costs.

We pay for our failed educational system every time an individual drops out of high school. Lack of a high school degree costs an individual $440,000 in lifetime earnings. These lost earnings often drive these individuals into welfare, crime, and drugs. Up to 80 percent of our people that are incarcerated in our State jails are functionally illiterate, school dropouts.

Federal expenditures for welfare were $208 billion in the fiscal year 1992. The cost of incarceration, which I mentioned, is $25 billion per year and growing, and the medical costs of violent crime is another $18 billion per year. Illegal drugs cost the economy $238 billion a year, as estimated by Brandeis University. These difficult circumstances perpetuate themselves generation after generation.

I think most Americans agree, and in poll after poll people cite the quality of education as a paramount concern. And this view is growing each year. The support for education in these polls is often cited as one of the most important roles of Government. Americans understand intuitively that investing wisely in education is the key to our future success and the best possible national investment we can make for the country. The evidence is clear: Countries which spend more on education per pupil have higher levels of per capita GDP. Institutions like Motorola report corporate savings of $30 to $35 for every dollar on training. That is a 3000- to 3500-percent rate of return. But most of that education, if you read the report, was to make their students literate to put them in a position where they could read.

They found, amazingly in their study, they were having trouble with their employees answering simple math problems and they could not believe they do not have the capacity to do the math, when they found out the problem was they could not read the problems. Thus they had to teach them how to read to do simple math problems. That is the state of the situation, and that is Motorola, one who can be selective in their employees.

People, as rational consumers, also realize investing in their own education leads to substantially higher lifetime earnings. A person with a bachelor's degree earns over 1.5 times of the person with a high school degree. A professional degree earns over 350 percent higher lifetime earnings than a high school diploma in itself.

While we recognize both intuitively and through research the economic rewards of education, we do not simultaneously invest the funds necessary to support the position. Many of my colleagues, while acknowledging the importance of educational investments, argue that throwing money at education is not the solution. I could not agree more. Increasing educational expenditures in itself will not solve our country's educational deficiencies.

We have a responsibility to invest educational dollars wisely, including more active congressional oversight over Federal initiatives. Simultaneously, we must also reinvigorate our schools by demanding that students learn to high academic standards.

Why? Because the status quo in our schools has failed. Too many of our graduates finish school without knowing the three R's, much less more rigorous academic standards. Clearly,

there is no room for federally mandated standards. We should be providing incentives for States and communities to set up goals for student achievement—pupil by pupil, and school by school.

More importantly, they must know what standards this Nation must reach, if we are going to be able to continue to compete internationally. It is one thing to believe that our education, as most people in this country do, has improved over the time they were in school, and I find that is true for myself. I am amazed that the students in high schools are taking subjects which I did not get until college.

What they do not realize, for instance, in a recent report on the comparison of our students to other nation's students we fared poorly. One example is with Taiwanese students. These students when they graduate are 2 years ahead of our students in many subjects, such as in math. Is it any wonder we come out last in these tests, or next to last?

What is important is that we know and that the States know that we do have a problem. That this Nation is faced with a very serious educational problem, and if we do not do something about it, we will not be the Nation we must and should be in the next generation.

So we must be sure that when we begin to reduce the budget to try and balance it that we do not do counterproductive cuts which will decrease our revenues and increase our social costs. rather than cutting the deficit it will increase the deficit.

The dreams of good health, a good education, a good life, and a good retirement can only be realized by setting high priorities on education and educational investment. These increases are essential if our country wishes to remain viable into and throughout the next century.

The PRESIDING OFFICER. The Senator from Rhode Island has 1 minute remaining. Who yields time?

Mr. DOMENICI. Does the Senator need more time than that?

Mr. CHAFEE. I might like a little time, if I could, at the end for rebuttal. If the Senator is prepared to go now—

Mr. DOMENICI. Right now I will yield the Senator some time, 3 or 4 minutes.

Mr. CHAFEE. Yes, I will take 2 minutes.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. The arguments, I believe, have been very, very forcefully set forth this evening by the speakers on our side, Democrats and Republicans.

What are we talking about? We are talking as a bipartisan group that something has to be done about the deficit of this Nation or future generations are going to be in terrible trouble. We heard the statistics from the Senator from South Dakota in connection with this, and others likewise who talked about what Social Security is going to look like or Medicare or the other entitlement programs unless in some fashion we get control.

This budget that we are presenting does that. This budget not only balances itself in the 7 years, but in the outyears, that is where the tremendous savings are. So I commend my colleagues to come forward and join us.

As the Presiding Officer in his remarks pointed out, there are those who are saying, ''We would be with you, but we're not sure you have enough votes.'' If we spent all our time going only with those who have a majority, we would not stand for anything. We are not sent down here as weather vanes to go where the majority is. We are sent down here, it seems to me, not only to look after this generation, but future generations as well.

So, Mr. President, we put forward a tough program, but the solutions to the problems of this Nation are not going to be sugar candy. They are going to have to be by facing up to difficult decisions. Is reducing the CPI by 0.5 percent a difficult decision? Sure it is. The easy way is to do nothing, continue the reckless course we are on now in this Nation of ours.

But I want to pay tribute to every single one of those who have joined with us in putting forward this budget on behalf of Senator BREAUX and myself.

Mr. President, I will never forget a movie I saw during the war. The colonel comes before the pilots who have just graduated from pilot school, and some are going into fighters and some are going into bombers. The colonel who was addressing them happened to be a bomber pilot. He said, ''Here's where we separate the men from the boys.''

I am not taking any sides of pilots being fighter pilots or bomber pilots. But I will say that this is a tough decision that we are facing very shortly in this Congress. I hope that those colleagues who are not here this evening who are still doubtful, will say that program is a good one. It is not only a good one for now, but it is a good one, even more importantly, for future generations. I thank the Chair.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself as much time as I use. I understand Senator EXON wants to be recognized at some point. If there are any members of the centrist coalition, Senator CHAFEE and Senator BREAUX, that have not had enough time, I will give them part of my time.

Mr. President, fellow Senators, I guess I can say in all honesty that after more than 20 years on the Budget Committee, tonight is indeed an exhilarating evening for me, because I believe if anybody listened to the debate here tonight—and I regret to say, in my own way, in the next 30 or 40 minutes I am going to suggest why I am not going to vote for this tonight—but if anybody listened to the debate tonight and saw this bipartisan array of Senators, all of them, all of them excellent Senators, none of them known for demagoguery, but for being problem solvers—five of them are on the Budget Committee that I can recollect, five are on the Finance Committee, which, in all fairness to all the other committees of jurisdiction, would probably have about 85 percent of the say in whether we get to a balance and whether we stop the kind of future damage that has been explained here today.

When we first started at budgeting, six or seven Senators understood. They would think when you made a $5 billion change in one little part of the budget that you are really making some headway. When you look down and see in 10 or 12 years—that is 10 or 12 years from then—you see a Medicare Program going bankrupt. They did not go bankrupt yesterday. We did not know it was going to be in trouble yesterday. We knew it years ago, just like we know we will not be able to pay for all the things we have promised Americans in just a few years.

It is not a question of whether you want to be mean, whether you want to live up to your commitment. The truth of the matter is, as prosperous and powerful as we are, we have set in motion programs, commitments to our people that we cannot possibly live up to.

For those who are wondering whether the giant programs and commitments of our Government can long endure, let me say they can. But they cannot long endure if we wait until they are in serious trouble and then try to fix them.

Let me tell you what will happen. I quote from Robert Samuelson, who writes editorial pieces. Everybody thinks he is an economist. He is not an economist. He knows as much as many and he speaks more forthrightly than many and he makes more sense than many. Let me tell what you he said in an editorial piece. Listen carefully, if you do not think he is telling us why we are here tonight listening to this debate:

> At some point spending and benefits will be cut to avoid costs that seem politically intolerable. The trouble is that the longer the changes are delayed, the more abrupt and the more unfair they will be.

The last sentence reads:

> That's why silence is irresponsible.

Frankly, to the eight or nine Senators who spoke in behalf of this bipartisan proposal, you have chosen not to be irresponsible, for silence here tonight would have been irresponsible. I only wish we would have started this process and have a bipartisan budget here on the floor, and I only wish the President would be in support of the major ingredient in your budget. I do not think there is a lot of doubt that if he were, it would be done.

Now, let me tell you why I am concerned. I borrowed the chart from Senator BREAUX. He has no idea why I borrowed it. I only borrowed it for one

number, Senator, the year 1997, the change in the CPI—$7. You have argued that is a small amount to pay to benefit this Nation so greatly. I say $7 is enough to make a case to the American people that one group of politicians is doing the wrong thing and another is doing the right thing—$7.

Let me tell you the difference between the Republican plan to save Medicare, and it was not even part of the trust fund, but the difference between our first proposal in June of last year and the President's was $7. It went across America as if it were a torrent, a tornado destroying the benefits for senior citizens. If you can do it once, you can do it again.

I submit it will be done again. That $7 increase in the average monthly check for senior citizens, if it is not destroyed here tonight by the opposition, it will be destroyed tomorrow if you pass it, or a week from now if you pass it, by the President of the United States, for he will make that as big an issue as he made the $7 in Medicare, the insurance premium change that was first in the budget that you alluded to, Senator GORTON, earlier in the evening.

Mr. BREAUX. Will the Senator yield?

Mr. DOMENICI. I am happy to yield to the Senator.

Mr. BREAUX. I think I understand, and I appreciate the point the Senator is making, but does the Senator not make the point we were trying to make, that the only way we will get it done is in a bipartisan fashion, where we both can hold hands and say, ''Yes, this has to be done in a bipartisan way.''

Mr. DOMENICI. Yes, indeed.

I believe, however, in this year, 5 months before a Presidential election, with all the water that has gone under the bridge, I do not believe it can be done with a bipartisan group of Senators.

I believe at some point—and that point may not be too distant, Senator, and I believe you will still be here when that point arrives, I hope, and Senator CHAFEE, because I do not think it is a long way off—I believe bipartisan Senators may put that budget together. I just do not think it will work this year. I do not in any way want to detract from the courage and hard work, from the dedicated commitment that went into this budget.

I think, in all honesty, a Republican budget of last year and this year have a lot to do with the momentum that brought you together and the momentum that kept you together. I am not here trying to draw comparisons between your budget and our budget and the President's. But I will say it would not be difficult for this Senator to put a budget together and speak with high praise for it with your number on welfare, your number on Medicaid, and, yes, your number on Medicare. In fact, I think we are so close that it might be decided in the Finance Committee and Agriculture Committee on matters of policy because I do not believe the numbers would be very far apart.

Maybe we will hear differently tonight when the distinguished Senator from Nebraska talks about this role. Perhaps we will. I am not here tonight to criticize this bipartisan group on any aspect of its budget. I am here tonight to congratulate them. I think I am even prepared to say for those out in America that watch budgeting and watch our future with grave concern, this might be a red letter day for your becoming buoyant and positive about America sooner rather than later, getting a balanced budget and putting its fiscal house in order.

The issues encapsulated in your budget are for real. Again, I say I am sorry I cannot support it, but I feel I have made a commitment not to touch Social Security in this year's budget. I believe, just as certainly as you do, that I have to live up to that commitment.

I remind some people around here that they should not leave tonight thinking that the Senator from New Mexico needs to be separated, the men from the boys, and that I am in the boy's department, to borrow your war story. I voted for about every kind of change that we could make to get this budget of the United States under control. I have had about as much positive thinking as you do tonight about how wonderful your plan is. I did one of those, only to find that then-President Ronald Reagan and Tip O'Neill, within 5 days, somewhere, somehow, decided to destroy it. And it was about similar issues, I might say, without digging up a whole bunch of linen that is now soiled. It had to do with the same big-ticket item we are talking about here. So I have been there.

I also want to suggest that you have approached another issue very realistically—Senators CHAFEE, BREAUX, and those 22 supporting you. And I will say this, without any hesitation: It is going to be very, very tough—if, indeed, it will be possible—for the President of the United States to get a balanced budget using the assumptions he is making, because, in fact, I do not believe you can possibly reduce the expenditures that come out of that $275 billion pot called the discretionary accounts, everything from the National Science Foundation to our little bit of education money—and it is not a lot; $23 billion is all we fund for kindergarten through 12th grade. But there are a myriad of programs in that package. I do not believe he can get the amount of savings in the last 2 years that the President says he will.

I will submit that it may be very, very difficult to get the Republican savings, although they are more realistic in that they are gradual rather than precipitous. They do not go up only to come down—and, incidentally, go up in an election year only to come down in the nonelection years. But they will be difficult. You have decided that you want to do something about that, and I understand Senator CHAFEE's explanation. You want to be more realistic and not have as many assumed reductions in those accounts. I do not know if we are going to get there or not. But, sooner or later, the reality of those numbers, which will be looked at each year—although, sooner or later, you have to bind them, but the reality of it will come up.

I want to say one more time tonight, for a few minutes, that these 22 Senators, those who agreed to support my budget—those who really want to get a balanced budget—do not do this because they love changing American commitments, or deciding to reform programs where people might get a little bit less than they expected. This is not some glorious kind of achievement. We do this because to continue with the kind of budget we have in place flies in the face and against the reality of America having any kind of real, sustained economic growth and our children having a better life than us.

That is the issue. Can an America that already owes almost $6 trillion, and over $215 billion in interest payments, continue to have a buoyant economy, with business having money to invest because they can borrow it at reasonable interest rates? Do we have that or not? Unless and until we get this to a zero and then begin, at some reasonable point, to get that debt under control, all of the money saved by the American people that is supposed to go into growth, prosperity, a better future for the next generation, the American dream, and all of the wonderful things we speak of, it all gets gobbled up by the debt instead of being invested in a plan that increases productivity and brings better jobs to Louisiana, or Albuquerque, or New Mexico, or Nebraska.

Yet, we want our economy to give us better jobs, more stable jobs, and we continue to rob the job creation part of this economy. The Government does not create jobs, except for the Federal employees. So when we speak of job creation, we are really talking about having a situation in the marketplace in the private sector, because of well-trained employees, because of money they can invest, and low interest rates, so that they can grow, prosper, and hire more people, and pay better salaries. That is job creation; it is not the Government. We stand in the way of it every time we fail to come up with a balanced budget that is for real in good economic times, for we take the money from the hands of the working people and put it in the coffers of banks and insurance companies and other lenders that have given us their money, and we give them back a note from the U.S. Government because we do not have the courage to pay our own bills. We say, let another generation pay them. Let us charge it. That is why we are here and why we are encouraged tonight, because of the group of 22, under the leadership of Senators CHAFEE and BREAUX, have come so very far in moving in the right direction.

I want to say to the U.S. Senate, to the President of the United States, and to many of those who are going to see fit to attack the budget that I put before the Senate, which is pending. I just look up here on this chart and say, as far as Medicare, the most challenged of the programs—and I have already suggested to you all that if you wondered how big the gap between the President and the Republicans was in June of last year, it was $7, and I showed you that on the other chart. But I would think if you look in the last column of the $167, and the first column at $154—and I understand one is a 6-year and one is 7. If you look at the assumptions made and where they are going, and where we are going, as I said a while ago, we could resolve our differences in a wink.

If you look at welfare and EITC, while there is a big difference, most of that difference has to do with the earned-income tax credit—almost all of it. That is an issue we can talk a while over and see if we can resolve.

The important thing is that the welfare reform in this proposal is very, very close to what will be recommended and, hopefully, will be bipartisan when it comes out of this Senate and ultimately out of the House and goes down to the President for signature. I hate to be partisan, but it might seem like I am going with the Wisconsin plan. But as you read it, it seems like it was not. We will produce something like the Wisconsin plan, and it will be close to those goals without the EITC.

Then if you want to look at Medicaid, clearly, there are policy differences with reference to how much is guaranteed and how much is totally blocked into the States. I have heard my friend, Senator CHAFEE, allude and speak to that, such that I think we could write a Medicaid bill pretty easily that would have bipartisan support. So I did this in no way to take advantage of your budget and try to enhance the one I have produced—in no way.

What I have done is to make sure that everybody understands that my statement of about 12 minutes ago, when I said this is a truly important day because it probably sends the signal that we are going to get this deficit fixed, and if we do not get it fixed right now, for this year, because of the things I have spoken of, and a few others, it will never go unnoticed that you all probably had more to do with getting us there than we have, and probably more than the President has had, for you will have moved us in the right direction with an awful lot of real courage.

Now, having said that, I want to make my own observation about why this is an important debate for our future. I have made it with reference to interest rates and the legacy that we leave our children. Is it going to be a legacy of debt or a legacy of opportunity?

But I also submit that America's economy has to grow more than it has been growing. I do not think we can accept any longer from economists the notion that it cannot grow any more—2.3, 2.4 percent is it. For those who say it could be 6 or 8, we are not talking about that. That is clearly wishful thinking and dreaming. But it has to grow at more than it has been growing if we are going to get rid of stagnation, if we are going to get rid of the fear and anxiety about whether the jobs are going to be good sooner rather than later as they are now.

I add one observation. If you get the budget under control where more of the savings of the American people can go into building businesses of our country so that jobs can be improved which are higher paying and more competitive, and if you add to that reforming the Tax Code which is antigrowth in every respect—and in a sense, those who save in America today are kind of dumb because we have a Tax Code that says, ''do not save'' to those who invest instead of saying, ''If you make some money, you can keep it and invest in the growth of the economy.'' We say, ''You cannot do that because we will tax you as if it is ordinary income.''

I believe the time is right to solve them both: fix the deficit and fix the Tax Code—whether it is flat or just more flat than it is, whether it is totally simple or more simple than it is. The most important thing is that it be a part of a twin set of halfbacks that hit the line traveling at 9.4 seconds per 100-yard dash and move the American economy forward. And it will come from those two sources.

So it is not just talk here tonight. It is the most profound discussion of where we are going. And when you say no one is ultimately going to be precluded from some sacrifice, I believe that when it is finally accomplished, this bipartisan budget will show there is evidence that many, many people want to sacrifice, and many Senators want to be on the side of courage in behalf of our future.

I will wish that my comments be totally in error and that tomorrow morning, or 2 days from now, we get a call from the President, and he would say, ''Let us have some Democrats and Republicans come down here; I will accept this'' in which event, I say to Senator CHAFEE, not only would I be speaking what I speak tonight but I believe it would be a breakthrough.

I yield the floor.

Mr. EXON. Mr. President, I ask for about 15 minutes.

Mr. DOMENICI. I yield the Senator 20 minutes, in opposition.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank my friend and colleague from New Mexico.

Mr. President, to rephrase the statement that the chairman of the committee just indicated, he yielded me 15 minutes in opposition. Well, it puts it in a negative term that I did not want to put it in. But I am going to outline some of the concerns that I have here.

But I agree that this has been a very informative discussion tonight and it will be informative tomorrow. I want to join in the general tenor of what I have heard here on the floor tonight. I would like to have one of those charts, if you could leave them here for me.

I was going to say, Mr. President, that most of the Members of the coalition group—at least on the Democratic side—have been Senators that I have been intimately involved with on fiscal matters ever since I have been in the U.S. Senate. I agree with Chairman DOMENICI that possibly out of these discussions tonight and the general tenor of the responses on each side lead me to also agree that we can have a breakthrough.

I would simply say that I happen to feel that the President of the United States has been trying very, very hard to have a breakthrough. Maybe we are sowing the seeds of that accomplishment tonight. I will be consulting with the minority leader tomorrow on this. And in the next few days, if we can just separate our differences for what they are—firm differences of opinion—and maybe come to the realization that, indeed, we are closer perhaps than we think, just let me note for the RECORD that, I think, further substantiates this. And in conversations that I have had with members of the 22-member coalition, just let me note that for the record the Chafee-Breaux budget is closer to the President's budget than to the Republican budget in all key areas.

I ask unanimous consent that a table demonstrating this be printed in the RECORD.

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

COMPARISON OF BUDGET PLANS: 6-YEAR SAVINGS

[In billions of dollars]

	President's budget	Chafee-Breaux budget	Republican budget
Spending cuts:			
Discretionary	−230	−179	−296
Mandatory:			
Medicare	−117	−106	−167
Medicaid	−54	−41	−72
Other health	9	0	10
Welfare/EITC	−43	−45	−70
CPI outlays [1]	0	−56	0
Spectrum auctions	−37	.....	−19
Other mandatory	−24	−37	−19
Subtotal	−265	−284	−337
Revenues:			
Tax relief and other	99	107	180
Corporate reforms [2]	−40	−20	−21
CPI revenues [1]	0	−35	0
Other proposals	−5	0	.....
Expiring provisions [2]	−43	−0	−36
Subtotal	11	51	122
Policy savings	−485	−412	−511
Debt service	−41	−40	−56
Total savings	−525	−452	−567
2002 Deficit/Surplus	0	−49	0

[1] Assumes a 0.5% reduction in CPI.

[2] The Republican plan reconciles a net tax change of $122 billion over 6 years, but includes reserve fund language that allows for additional tax cuts on a revenue neutral basis. The revenue figures for the Republican plan show gross tax cuts assuming that the Republicans adopt the corporate reforms contained in the Balanced Budget Act and certain tax provisions that have expired since last year.

Mr. EXON. Mr. President, it seems to me, if I heard the leader of the committee correctly, that he has essentially all but endorsed the bipartisan commission with the one exception of Social Security. And if we are that close maybe—just maybe—we can solve the problem. But I would remind all that when we get that close there is going to have to be some give and take on both sides in a compromise.

So, Mr. President, I want to salute my friends, Senator CHAFEE from Rhode Island, Senator BREAUX from Louisiana, and all of their associates for their stamina in their efforts to find a middle ground in this very, very important debate. Yet, I must say that, while I think this has been extremely helpful, I suggest that they keep on searching. But since I am convinced that they are searching in the crunch of numbers much closer to the President's budget than the Republican budget, there is no question in my mind that they can be helpful in reaching a workable compromise that I have not heard anybody object to tonight. I think everybody is saying we are closer than some people think. But I suggest that they keep working, and I will outline some of the—only three—key points that I have some concern about, and I suggest that the President might have some concerns about. That does not mean that we do not want to talk. That does not mean that we are saying the Republican budget is impossible to work with. That does not mean to say that we do not think that the coalition budget is a sincere effort because obviously it is.

So there is much merit to the Breaux-Chafee budget et al. There are many savings that I would simply emphasize once again are very close to those contained in proposals that I have made and, indeed, close to the numbers in the President's budget. But there are three areas—three glaring problems—that I see that I want to comment on that force me to say we have to do better. That does not mean that we are not willing to compromise. That does not mean we are not willing to talk.

The chairman of the committee said that he hoped maybe that as a result of these discussions the President would call us down to the White House in the morning. Well, the President has had an invitation out for us to come down to the White House every day on the hour, it seems to me, in the past several weeks, and he has been frustrated, I am sure, with the fact that the Republicans will not come down. In fact, the chairman of the Budget Committee on the Republican majority on the House as much as said that there is no reason to go down there because we are so far apart. But I see that there are problems in three areas which I want to discuss for just a little bit to show that, while we are close, everything is not hunky-dory.

We can stand out on the floor of the Senate and pat each other on the back, but I, for one, am saying there are still some problems. They are not insurmountable, but there are problems.

The first problem that I have is the change in the Consumer Price Index; second, the cuts and the change in the direction of the Medicare Program; and third, the tax cuts.

Nonetheless, this proposal is far superior, in my view, than the one offered out of the Budget Committee. The proposed adjustment in CPI, I simply say, is no small matter, and it should be fully understood. It amounts to $126 billion. The numbers speak for themselves.

Mr. President, it would be very difficult, if not impossible, to scrap the CPI adjustments and not bring down the entire Breaux-Chafee budget. I believe that was discussed in some detail in the negotiations that were held between the chairman of the committee and the Breaux-Chafee group. Therefore, the CPI and the amount of the CPI is absolutely essential to make the Breaux-Chafee budget work unless—unless—the Breaux-Chafee group is willing to forgo most of their big tax cut.

I oppose the change in CPI for the reason that it asks the most from those who have the least. A change in the CPI will not affect the lifestyles of Senators or the wealthiest Americans, but it could deliver a devastating blow to seniors and the disabled who depend solely on Social Security and supplemental security income, commonly known as SSI, or those low-income families who get little relief from the earned income tax credit. More than 40 percent of the dollars the proposal raises comes from a reduction in projected Social Security benefits. That is plain and that is simple.

Mr. President, when one says ''adjust the Consumer Price Index,'' it almost sounds reasonable. Everyone is in favor of an accurate CPI. But let us call this proposal for what it really is—a proposal to cut cost-of-living adjustments by half a percent no matter what the accurate CPI would be. What that means is that benefits will be cut below projected levels for Social Security, for earned income tax credit and supplemental Social Security income, for veterans' compensation and pensions for the elderly.

Is that where we as a government should be looking first for deficit reduction? I suggest not. Over the next 10 years, a half-percent COLA change means $110 billion in less Social Security benefits, $16 billion less in EITC, earned-income tax credits, $11 billion less in SSI benefits, and $5 billion less in veterans' compensation and veterans' pensions.

Let me take a moment to talk about the chart that has been moved over here behind me now. It is a very interesting chart, and it tends to show the minimal differences. While they appear minimal, I suggest, to people with the income of those of us in the Senate, it purports to show how little one-half a percent Consumer Price Index change would actually cost the beneficiaries, if you do the arithmetic, Mr. President, and you add up all the cuts that are suggested on that chart, they come up to $1,200 per beneficiary, which is real money, which is real money for people on Social Security.

I am not saying that we are not willing to talk about this, but to minimize how small this is should be put in the context of the lowest income Americans as far as the fairness test is concerned. And, oh, by the way, there is something that has not been mentioned that we should look into. It seems to me, if we were to proceed along this basis, it also means about a $106 billion tax increase over the same period because it would bring back bracket creep that we thought we had eliminated.

Mr. President, I have a table which shows the current estimates of the Congressional Budget Office as to where these savings would come. I ask unanimous consent that this table be printed in the RECORD.

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

CHANGE IN DEFICIT DUE TO 0.5-PERCENT ADJUSTMENT OF CPI-INDEXING, CBO ESTIMATES MAY 7, 1996

	1997–2002			1997–2006		
	Billions	Percent All Savings	Percent Policy Savings [2]	Billions	Percent All Savings	Percent Policy Savings [2]
Revenues [1]	−$35.4	35.1	38.8	−$105.8	33.6	39.3
Change in Outlays	−55.7	55.3	61.0	−163.0	51.7	60.6
Social Security & RR Ret.	−38.4	38.1	42.1	−110.5	35.1	41.1
SSI	−3.4	3.4	3.7	−11.1	3.5	4.1
Civil Service Ret.	−4.4	4.4	4.8	−12.6	4.0	4.7
Military Ret.	−3.2	3.2	3.5	−9.3	3.0	3.5
Veterans Comp. and Pensions	−1.9	1.9	2.1	−5.4	1.7	2.0
EITC	−4.8	4.8	5.3	−15.8	5.0	5.9
Other	0.4	−0.4	−0.4	1.3	−0.4	−0.5
Debt Service	−9.5	9.4	NA	−46.1	14.6	NA
Change in Deficit	−100.8	100.0	NA	−315.1	100.0	NA

[1] Revenue increases are shown with a minus sign because they reduce the deficit.
[2] Policy savings exclude debt service savings.

CHANGE IN DEFICIT DUE TO 0.5-PERCENT ADJUSTMENT OF CPI-INDEXING, CBO ESTIMATES MAY 7, 1996

[In billions of dollars]

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues [1]	−2.5	−2.4	−4.7	−6.5	−7.9	−11.4	−13.6	−16.9	−19.1	−20.8
Change in Outlays	−1.8	−4.7	−7.4	−10.7	−13.8	−17.3	−20.9	−24.6	−28.9	−32.9
Social Security & RR Ret	−1.4	−3.2	−5.2	−7.3	−9.5	−11.8	−14.2	−16.6	−19.3	−22.0
SSI	−0.1	−0.3	−0.4	−0.7	−0.8	−1.1	−1.4	−1.7	−2.2	−2.4
Civil Service Ret	−0.2	−0.4	−0.6	−0.8	−1.1	−1.3	−1.6	−1.9	−2.2	−2.5
Military Ret	−0.1	−0.3	−0.4	−0.6	−0.8	−1.0	−1.2	−1.4	−1.6	−1.9
Veterans Comp. and Pension	−0.1	−0.2	−0.3	−0.3	−0.4	−0.6	−0.7	−0.8	−1.0	−1.0
EITC	−0.0	−0.4	−0.5	−1.0	−1.3	−1.6	−2.1	−2.5	−3.0	−3.4
Other	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3
Debt Service	−0.1	−0.4	−0.9	−1.6	−2.6	−3.9	−5.6	−7.7	−10.2	−13.1
Change in Deficit	−4.4	−7.5	−13.1	−18.8	−24.4	−32.6	−40.1	−49.2	−58.2	−66.8

[1] Revenue increases are shown with a minus sign because they reduce the deficit.

Mr. EXON. Mr. President, more than a third of the savings from a CPI adjustment suggested here would come from families with annual incomes under $30,000 per year. Ratchet it up just a little bit and 56 percent of the burden falls on families with incomes under $50,000 per year.

This proposed change in the CPI will hit most middle and lower income American families. I suggest, for this reason, this is not shared sacrifice, at least in this Senator's book.

As I previously mentioned, the proposed change in the CPI exacts too much from another group of our citizens, the retirees. Under the Breaux-Chafee budget, two-thirds of the savings come from retirees regardless of income. Let us not forget that Social Security contributes 90 percent or more of the income for about a third of our beneficiaries. It is also the major source of income for two-thirds of all of our beneficiaries. When we come up with these easy charts that show how simple and really ''no hurt'' this proposition is, I think we need to look at where it is coming from and who is taking the hit.

In addition, the very oldest American would be hit the hardest. COLA reductions accumulate, so that the biggest reductions are experienced by the retirees at the very end of their lives. It is simply not right to take the bread off the table of an elderly citizen—in many cases, a widow who is really now counting every penny. Yes, that is hard for many of us to believe, but that is going on today with many of our citizens who are certainly not well off.

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

Mr. EXON. I will yield at the end of my remarks, and I will be happy to do it at that time.

It is not right and it is something that I cannot do. That does not mean there cannot be changes in COLA's. During the Senate Budget Committee markup of the budget resolution, I supported Senator BROWN's amendment to cap COLA's for upper income Federal and military retirees within the context of means testing. Some adjustments to cost of living may very well be warranted, but I cannot support a broad CPI adjustment that does nothing to protect the very neediest.

I also point my colleagues to the fact that those areas where a firm scientific consensus exists about CPI bias have already been incorporated into the budget baselines both of the Office of Management and Budget and the Congressional Budget Office. So the changes that have been suggested by the bureau are already in place. It is being suggested here that we add 0.5, a half of 1 percent, on top of that. That is where I think we should take a look, take a listen and have more talk. Beyond these areas, there is wide disagreement on many subjects. I, for one, do not believe that we should hazard the livelihoods of the elderly or the working families on such speculation to reach a balance. Let us let the professionals at the Bureau of Labor Statistics improve the CPI based on sound logic and not political necessity. Indeed, research done at the Bureau of Labor Statistics, which produces the CPI, suggests that the elderly's cost of living may increase faster than the CPI because they, the elderly, spend far more for out-of-pocket medical expenses than do consumers generally.

Back to the situation in another way that I mentioned earlier, when you spend every dollar you receive, these kinds of changes must be looked at very carefully to make sure they are fair.

Mr. President, I ask unanimous consent that a copy of the research paper to which I referred just a moment ago be printed in the RECORD at the conclusion of my remarks.

That is entitled ''Experimental price index for elderly consumers.''

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Another thing, it seems to me we should realize and recognize it is one thing to ask Social Security beneficiaries to contribute more as a part of a general reform of the Social Security system, but it is another thing, another thing altogether, to get savings out of Social Security to help make room for maybe a tax cut.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. EXON. I yield myself additional time off the resolution that is held in my name.

The PRESIDING OFFICER. The Senator is recognized.

Mr. EXON. I would be willing to consider changes to the COLA's, if they would be used as part of a Social Security overall reform package which we all know we are going to have to face. But I suggest we should not foreclose that next option and use it in the context that it is being advanced in this area at this time.

Mr. President, I believe, and I hope others will believe, we will need a whole lot of savings to address the needs of the baby boom generation in the next century, especially with regard to Social Security and Medicare. I believe we would be better served if we reserved any savings from Social Security for legislation that will address that problem so that we can ensure that the burden is going to be shared fairly and equitably.

In short, I am for honest changes in the cost-of-living adjustment. I am not for cuts in COLA's that are not a part of a major overhaul of the Social Security fund, which everyone agrees is not the case in the present legislation.

Mr. President, I have concerns about the Breaux-Chafee centrist budget. And I also think there are some excellent things in there. I think it is unnecessary, though, to go after Medicare beneficiaries for the amount of savings that they have outlined. Once again, I will say in the spirit I started with, it seems to me the Breaux-Chafee group and the Democrats and the President are not far apart on those numbers. I think they can be worked out. Although it does shield those in the very lowest income brackets, vast numbers of Americans making less than $50,000 would see their share of the premium costs rise, as proposed, rise from 25 to 31 percent. The President's budget, I might say, maintains a 25-percent level and still ensures the solvency of the trust fund through the year 2005. Let us not forget, too, that Medicare beneficiaries already pay 21 percent of their income for health care expenses. We should not add to their burden now.

In addition, by raising the eligibility age from 65 to 67 years of age—I am willing to look at that, but I want to look at both the upside and the downside. This amendment also denies Medicare benefits to a significant number of elderly Americans who have planned on that coverage in their retirement. Remember, most of the 65 and 66-year-olds are by no means affluent.

As well, Mr. President, the tax cuts in the amendment are larger than those in the President's budget. Again I say—and it has been said by several Senators here on the floor—I wish we could put off all tax cuts of any kind until we are better assured that we will balance the budget by the year 2002.

That is the way I would like to have it. But I think it is clear that there is such a drive for this, and there has been so much publicity about it that, notwithstanding the concerns of this Senator, it is obvious, realistically, that some tax cut will be included because the President is for it as well.

In conclusion, I believe the amendment drafters need to keep working. They do not have to start all over again but I think they have to keep working with us. I simply say without the Breaux-Chafee group, or the Chafee-Breaux group, we probably would not have much of a chance to come up with a workable package. While I have some concerns about their proposal that I have outlined in an honest fashion tonight, I want to join with them in an effort to challenge and change and bring us around, and we can bring them around, maybe we can bring the Republicans around, to begin negotiations once again with the President at the White House. As we compare budgets, all of the budgets that are on the table, I still believe—even with its warts, and I think there are some warts in the President's budget, and I introduced and asked us to use that as the mark—I think the President's budget is the best standing alone of any that I have seen.

Having said that, I realize and recognize and want to emphasize once again that the President wants to work together. He has met at the White House with the Chafee-Breaux group and he has told me that he was very much interested in their presence, their attitude, and what he interpreted as a very sincere effort to get something done. That is the bottom line.

I say, let us keep working. But I, like the other Members of the Senate who have spoken on this tonight, feel this has been a very interesting, very challenging debate, and I am more optimistic than I was, when we started the debate on the budget resolution, of reaching some kind of compromise after the talks tonight than I was when we began this important exercise.

I yield 5 minutes of my time to the Senator from Illinois.

[From the Monthly Labor Review, May 1994]

EXHIBIT 1

EXPERIMENTAL PRICE INDEX FOR ELDERLY CONSUMERS

(By Nathan Amble and Ken Stewart)

(An experimental consumer price index for older Americans rose somewhat faster than each of two published BLS Consumer Price Indexes; as might be expected, expenditures for medical care accounted almost entirely for this difference)

The Consumer Price Index (CPI) of the Bureau of Labor Statistics measures the average change in prices over time for a fixed market basket of goods and services for two population groups. The CPI for All Urban Consumers (CPI–U) represents the spending habits of about 80 percent of the population of the United States. The CPI for Urban Wage Earners and Clerical Workers (CPI–W) is a subset of the CPI–U and represents about 32 percent of the total U.S. population.

The 1987 amendments to the Older Americans Act of 1965 directed the BLS to develop an experimental index for a third population of consumers: those 62 years of age and older. In its 1988 report to Congress, the BLS observed that from December 1982 to December 1987, the experimental consumer price index for older Americans rose slightly faster than the CPI–U and CPI–W.[1] (See table 1.)

TABLE 1—EXPERIMENTAL CONSUMER PRICE INDEX FOR OLDER AMERICANS, DECEMBER 1982 THROUGH DECEMBER 1993, FOR ALL ITEMS AND FOR MAJOR CPI EXPENDITURE COMPONENTS

[December 1982=100]

Month and year	All items	Food and beverages	Housing	Apparel and upkeep	Transportation	Medical care	Entertainment	Other goods and services
1982: December	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983:								
January	100.4	100.5	100.5	99.0	99.5	101.0	100.6	101.2
February	100.5	100.9	100.6	98.5	98.5	102.1	101.3	101.9
March	100.6	101.5	100.6	100.3	97.7	102.4	101.8	101.9
April	101.2	102.0	101.1	100.9	99.4	102.7	101.9	102.5
May	101.7	102.2	101.6	101.2	100.6	102.9	102.0	102.7
June	102.0	102.2	102.0	101.1	101.3	103.2	102.3	103.0
July	102.4	102.3	102.4	100.7	101.9	103.8	102.7	104.0
August	102.7	102.3	102.6	102.2	102.4	104.5	102.8	104.7
September	103.2	102.4	103.1	104.0	102.7	104.8	103.4	105.9
October	103.4	102.5	103.2	104.0	103.1	105.3	104.2	106.3
November	103.5	102.2	103.3	103.9	103.4	105.8	104.5	106.9
December	103.7	102.7	103.4	103.2	103.4	106.2	104.6	107.2
1984:								
January	104.4	104.9	104.0	101.5	103.4	107.2	104.8	107.8
February	105.1	106.0	104.7	101.4	103.4	108.3	105.4	108.2
March	105.3	106.0	104.8	103.3	103.7	108.7	105.4	108.4
April	105.7	106.0	105.3	103.5	104.4	109.0	106.4	108.7
May	106.0	105.6	105.7	103.3	105.2	109.3	106.3	108.9
June	106.3	105.9	106.1	102.5	105.4	109.6	106.9	109.4
July	107.7	106.3	106.8	101.7	105.4	110.3	107.2	110.2
August	107.2	106.9	107.2	103.7	105.5	110.8	107.7	110.5
September	107.6	106.6	107.7	106.0	105.7	111.1	108.1	111.8
October	107.8	106.7	107.7	106.7	106.3	111.7	108.7	112.3
November	107.9	106.5	107.6	106.3	106.5	112.3	109.1	112.7
December	108.0	106.8	107.8	105.3	106.5	112.7	109.5	112.8
1985:								
January	108.3	107.6	108.0	103.4	106.2	113.5	109.9	113.6
February	108.8	108.5	108.5	104.3	106.1	114.3	110.0	114.2
March	109.2	108.6	108.9	106.4	106.9	115.0	110.5	114.4
April	109.7	108.5	109.3	106.9	108.0	115.5	111.0	114.8
May	110.1	108.3	110.1	106.5	108.6	116.0	111.2	115.1
June	110.5	108.4	110.7	106.0	108.8	116.6	111.8	115.4
July	110.8	108.5	111.0	104.8	109.0	117.3	112.4	116.1
August	111.1	108.5	111.4	106.2	108.7	118.1	112.4	116.5
September	111.4	108.5	111.7	108.7	108.5	118.6	112.9	117.9
October	111.7	108.6	111.9	109.5	108.9	119.2	113.7	118.5
November	112.1	108.9	112.2	109.6	109.7	120.0	113.9	118.6
December	112.4	109.7	112.5	108.4	110.0	120.5	113.7	119.0
1986:								
January	112.9	110.7	112.8	106.0	110.1	121.6	114.6	119.9
February	112.7	110.7	112.6	105.7	108.6	122.9	115.2	120.4
March	112.3	110.8	112.6	107.0	105.5	123.9	115.4	120.8
April	112.3	111.1	113.0	107.5	103.4	124.6	115.6	121.1
May	112.6	111.4	113.1	106.8	104.3	125.1	115.8	121.3
June	113.1	111.4	113.8	105.7	105.3	125.8	116.2	121.5
July	113.3	112.5	113.9	105.2	104.2	126.7	116.5	122.3
August	113.6	113.4	114.1	107.3	103.1	127.5	116.7	122.7
September	114.1	113.5	114.5	110.0	103.4	128.1	117.1	123.9
October	114.2	113.7	114.3	110.5	103.5	128.9	117.7	124.3
November	114.2	113.9	114.0	110.4	104.2	129.6	118.2	124.5
December	114.4	114.1	114.1	109.1	104.5	130.3	118.1	124.8
1987:								
January	115.2	115.5	114.8	107.1	105.8	131.0	118.4	125.8
February	115.7	116.0	115.2	107.8	106.3	131.8	118.6	126.4
March	116.1	115.9	115.7	111.5	106.5	132.5	119.0	126.8

[1] Charles C. Mason, ''An Analysis of the Rates of Inflation Affecting Older Americans Based on an Experimental Reweighted Consumer Price Index,'' report presented to Congress, June 1988. During the period from December 1982 through December 1987, the CPI–U rose 18.2 percent, the CPI–W increased 16.5 percent, and the experimental index for older Americans grew 19.5 percent. Over the 11-year period from December 1982 through December 1993, the CPI–U rose 49.4 percent, the CPI–W increased 46.2 percent, and the experimental CPI for older Americans grew 53.8 percent.

TABLE 1—EXPERIMENTAL CONSUMER PRICE INDEX FOR OLDER AMERICANS, DECEMBER 1982 THROUGH DECEMBER 1993, FOR ALL ITEMS AND FOR MAJOR CPI EXPENDITURE COMPONENTS—Continued

[December 1982=100]

Month and year	All items	Food and beverages	Housing	Apparel and upkeep	Transportation	Medical care	Entertainment	Other goods and services
April	116.7	116.2	116.1	113.5	107.3	133.0	119.6	127.1
May	117.1	116.9	116.6	113.0	107.7	133.4	119.9	127.5
June	117.7	117.5	117.3	110.9	108.4	134.0	120.1	127.9
July	117.9	117.2	117.7	108.4	109.0	134.8	120.8	128.7
August	118.8	117.2	118.5	111.1	109.6	135.3	120.7	129.3
September	119.0	117.6	118.6	115.5	109.7	135.8	121.2	130.5
October	119.3	117.7	118.6	117.6	110.0	136.4	122.0	130.9
November	119.5	117.5	118.6	117.8	110.8	136.9	122.3	131.1
December	119.5	118.2	118.7	114.3	110.5	137.2	122.5	131.4
1988:								
January	120.0	119.2	119.5	111.9	110.1	138.5	123.4	132.7
February	120.3	119.2	119.9	112.0	109.7	139.5	123.7	133.8
March	120.9	119.4	120.5	116.3	109.5	140.4	124.4	134.3
April	121.5	120.1	120.8	119.6	110.2	141.0	125.1	134.5
May	121.9	120.6	121.2	118.9	111.1	141.8	125.2	134.9
June	122.5	121.1	122.0	116.8	111.5	142.3	125.6	135.3
July	123.0	122.4	122.5	114.6	111.9	143.7	126.2	136.4
August	123.6	123.0	123.1	114.8	112.5	144.4	126.5	137.0
September	124.2	123.9	123.3	120.1	112.6	145.2	127.0	138.6
October	124.6	124.0	123.3	123.3	112.8	146.2	127.5	139.1
November	124.8	123.8	123.4	122.4	113.5	146.9	127.8	139.6
December	124.9	124.2	123.7	120.0	113.7	147.5	128.4	140.1
1989:								
January	125.7	125.8	124.3	117.0	114.0	149.1	129.8	142.2
February	126.3	126.6	124.7	117.2	114.5	150.6	130.2	143.0
March	127.1	127.3	125.4	122.0	114.8	151.7	130.6	143.5
April	127.9	128.1	125.6	124.2	117.6	152.5	131.5	143.9
May	128.6	128.9	126.1	123.2	119.0	153.3	131.6	144.9
June	129.0	129.0	126.9	120.2	118.9	154.4	132.3	145.9
July	129.6	129.6	128.0	117.4	118.4	155.8	133.2	146.8
August	129.8	129.8	128.4	116.9	117.4	156.9	133.4	148.1
September	130.0	130.1	128.5	117.1	117.7	157.5	133.7	148.5
October	130.8	130.8	128.9	120.5	118.5	158.7	134.3	149.0
November	131.1	131.1	129.2	120.1	119.1	160.1	134.7	149.2
December	131.4	131.6	129.6	116.6	119.3	160.8	135.1	150.4
1990:								
January	133.0	135.2	130.9	114.0	121.4	162.6	136.0	151.7
February	133.6	136.2	131.0	118.0	121.4	164.4	136.4	152.4
March	134.4	136.2	131.8	123.0	121.3	166.1	137.0	153.2
April	134.6	135.7	131.7	124.3	121.8	167.3	137.5	154.0
May	134.9	135.8	132.0	123.4	122.3	168.7	137.8	154.7
June	135.8	136.5	133.2	121.0	122.8	170.0	138.3	156.0
July	136.6	137.4	134.3	118.5	123.0	172.0	139.2	157.4
August	137.9	137.5	135.6	120.0	125.3	173.7	139.4	158.1
September	138.8	137.7	135.8	123.9	128.0	174.7	140.5	159.3
October	139.6	138.1	136.1	126.0	130.8	176.3	140.7	159.8
November	140.0	138.5	136.0	124.8	132.1	177.8	141.0	160.3
December	140.1	138.7	136.1	122.4	132.6	178.9	141.3	161.3
1991:								
January	141.2	141.1	137.6	121.5	130.9	180.9	142.5	163.2
February	141.6	141.1	138.2	124.5	129.1	182.9	143.1	164.4
March	141.9	141.5	138.5	127.1	127.6	184.4	143.9	165.1
April	142.0	142.5	138.1	128.1	127.4	185.2	145.0	166.0
May	142.4	142.6	138.3	127.7	128.5	186.1	145.3	166.5
June	142.9	143.2	139.0	125.0	128.8	187.2	145.3	167.5
July	143.2	142.2	139.9	123.5	128.6	188.7	145.9	168.0
August	143.6	141.5	140.3	125.6	129.0	190.1	146.7	169.2
September	144.0	141.5	140.3	129.1	129.0	191.1	147.5	170.7
October	144.1	141.0	140.3	129.8	129.2	192.1	147.9	171.3
November	144.5	141.5	140.4	129.6	130.5	193.2	147.9	171.9
December	144.8	142.0	140.8	126.5	130.8	194.1	147.5	172.7
1992:								
January	145.4	142.6	141.7	125.2	130.3	195.9	147.8	173.7
February	146.0	143.0	142.2	127.8	129.9	197.9	148.5	174.6
March	146.7	143.7	142.7	130.5	130.5	199.2	149.0	175.2
April	146.8	143.7	142.5	130.7	131.2	199.9	150.1	175.7
May	147.0	142.9	142.6	130.7	132.1	200.6	150.0	176.8
June	147.3	142.1	143.5	130.2	131.8	201.3	150.3	177.2
July	147.8	142.0	144.3	128.3	132.2	202.6	150.7	177.8
August	148.2	142.9	144.7	128.9	131.9	203.4	150.9	179.0
September	148.4	143.3	144.3	131.9	131.8	204.1	151.6	180.4
October	149.0	143.2	144.5	135.0	133.3	205.3	151.9	181.1
November	149.2	143.0	144.4	134.6	134.7	206.3	152.0	181.2
December	149.2	143.4	144.5	131.2	134.6	206.9	152.2	182.3
1993:								
January	150.1	144.7	145.4	129.7	134.9	208.8	152.8	184.5
February	150.7	144.8	145.9	133.3	135.1	210.5	153.0	185.1
March	151.2	145.1	146.5	135.9	134.8	211.2	153.3	186.0
April	151.7	145.6	146.7	137.1	135.2	212.0	154.0	186.5
May	152.0	146.2	146.8	135.4	136.0	213.3	153.7	187.7
June	152.2	145.2	147.8	131.5	135.9	214.0	154.5	187.6
July	152.4	145.2	148.2	129.3	136.0	215.0	154.1	188.0
August	152.8	145.8	148.6	132.7	136.0	216.0	154.7	186.9
September	152.9	146.0	148.5	135.4	135.8	216.6	155.5	185.0
October	153.4	146.7	148.4	136.1	137.5	217.7	156.2	185.3
November	153.6	146.9	148.2	136.1	138.5	218.3	156.8	185.7
December	153.8	147.7	148.6	133.2	138.1	218.7	157.0	186.3

This article updates the analysis of the behavior of the experimental index for older Americans for the period from December 1987 through December 1993. Over this 6-year period, the experimental price index rose 28.7 percent, slightly more than the increases of 26.3 percent for the CPI–U and 25.5 percent of the CPI–W.

METHODOLOGY, DATA, AND LIMITATIONS

Although the study discussed in this article indicates a higher overall inflation rate for older Americans compared with the rates for the official CPI population groups, any conclusions drawn should be used with caution because of the various limitations inherent in the methodology.

Expenditure weights. For each CPI population group, item strata are weighted according to their importance in the spending patterns of the population. The population older Americans used for the experimental price index was defined to be all urban noninstitutionalized consumers units that were either

1. unattached individuals who were at least 62 years of age; or

2. members of families whose reference person (as defined in the Consumer Expenditure Survey) or spouse was at least 62 years of age; or

3. members of groups of unrelated individuals living together who pool their resources to meet their living expenses and whose reference person was at least 62 years of age.

In the 1982–84 Consumer Expenditure Survey, which is used as the source of expenditure weights in the current CPI. 19 percent of

the total sample of eligible urban consumer units (3.135 out of 16.500) met this definition. Because the number of consumer units used for determining weights in the experimental index as relatively small, expenditure weights used in the construction of the experimental price index have a higher sampling error than those used for the large populations.

For each population group, the base expenditure weight of any component represents the actual expenditure on that component in the base period. The relative importance of any component is its expenditure weight (updated for changes in relative prices) and represents the proportion of that weight to total expenditures for the population. The relative importances of selected components for each of the three population groups are shown in table 2 for December 1987, the first month of this study.

TABLE 2.—COMPARATIVE ANALYSIS OF RELATIVE IMPORTANCES OF SELECTED COMPONENTS OF CONSUMER PRICE INDEXES, DECEMBER 1987

Component	CPI–U	CPI–W	Experimental index for older Americans
All items	100.00	100.00	100.00
Food and beverages	17.61	19.45	15.49
Food at home	9.86	11.14	9.79
Food away from home	6.19	6.65	4.57
Alcoholic beverages	1.55	1.66	1.13
Housing	42.48	39.95	48.30
Owners' equivalent rent	19.26	16.84	25.47
Apparel and upkeep	6.34	6.36	4.68
Medical care	5.83	4.95	9.47
Transportation	17.45	19.41	14.43
Motor fuels	3.29	4.03	2.67
Entertainment	4.37	4.04	3.34
Other goods and services	5.93	5.84	4.31
College tuition	1.13	.84	.46
Tobacco and other smoking products	1.29	1.70	1.02

Areas and outlets priced. The experimental consumer price index for older consumers is a weighted average of price changes for the same set of item strata collected from the same sample of urban areas as are used in calculating the CPI–U and CPI–W.

Retail outlets are selected for pricing in the CPI based on data reported in a separate survey representing all urban households. The experimental index also uses the same retail outlet sample. Thus, the outlets selected may not be representative of the places where older persons purchase their goods and services.[2]

Items priced. As with retail outlets, a major limitation of the experimental index is that the categories of items to be priced are selected using expenditure weights calculated from the expenditure surveys for the urban population. As a result, the specific item classes selected for each stratum may not be representative of those classes used by the older population.

Prices collected. A final source of uncertainty about the appropriateness of using the CPI-U prices for the index of the older population concerns the availability of discount prices for older Americans. For example, senior-citizen discount rates are used in the CPI-U in proportion to their use by the urban population as a whole. To the extent that senior-citizen discounts take the form of a percentage discount from the regular price, this may not be a problem. If, however, the discount is not a fixed percentage of the price, the scarcity of senior-citizen discount prices in the current CPI could lead to error in the experimental index.

[2] The sample size of the current point-of-purchase survey is not adequate to determine whether older Americans typically shop in different types of outlets from those frequented by the general population.

Because of the preceding limitations, any conclusions drawn from the analyses presented in this article should be treated as tentative.

RELATIVE BEHAVIOR OF PRICE INDEXES

Table 3 gives the annual price changes in the all-items CPI-U, CPI-W, and experimental price index during the period 1988–93. Table 4 shows the behavior of these three indexes at the major component levels during the same period.

TABLE 3.—PERCENT CHANGE IN ALTERNATIVE CONSUMER PRICE INDEXES, ALL ITEMS, 12 MONTHS ENDED DECEMBER, 1988–93

Year	CPI-U	CPI-W	Experimental index for older Americans
1988	4.4	4.4	4.5
1989	4.6	4.5	5.2
1990	6.1	6.1	6.6
1991	3.1	2.8	3.4
1992	2.9	2.9	3.0
1993	2.7	2.5	3.1
Cumulative change, December 1987–December 1993	26.3	25.5	28.7

TABLE 4.—PERCENT CHANGE IN ALTERNATIVE CONSUMER PRICE INDEXES, BY MAJOR COMPONENTS, 12 MONTHS ENDED DECEMBER, 1987–93

Component	CPI-U	CPI-W	Experimental index for older Americans
All items	26.3	25.5	28.7
Food and beverages	24.8	24.8	25.0
Housing	23.1	22.4	25.1
Apparel and upkeep	17.7	16.6	16.6
Transportation	22.8	21.9	25.0
Medical care	54.2	53.3	59.4
Entertainment	25.9	25.0	28.2
Other goods and services	47.0	46.2	41.8

Over the 6-year period from December 1987 through December 1993, the reweighted experimental price index for older Americans rose 28.7 percent. This compares with increases of 26.3 percent for the CPI–U and 25.5 percent for the CPI–W.

Examining the indexes in more detail, we see that medical care prices during the period rose slightly more than twice as fast as the average for all items in each population group. Because the elderly typically spend more on medical care than does the population as a whole (see table 2), the medical care component accounted for most of the difference between the experimental index and either of CPI–U and CPI–W. In the experimental index, this component increase 59.4 percent during the period 1988–93. By contrast, inflation for the medical care component of the CPI–U was 54.2 percent and that for the CPI–W was 53.3 percent.

The price change for each major expenditure component varied by population because the expenditure weights of the items that comprised the major components varied among the three population groups the indexes served. The expenditure weight that an item had in a particular population reflected the importance of that item as a proportion of the total expenditures of that population. For example, the relatively high expenditure weights of the medical care component of the experimental index may largely be attributed to the differences in the nature of the demand for medical care services by the elderly, compared with the demand for such services by all urban consumers or by urban wage earners and clerical workers. Within the medical care component, the elderly had larger out-of-pocket costs relative to both of the other groups chiefly because those groups had employer-provided health care benefits more readily available to them. An analysis of the relative importance of the various subcomponents making up the medical care component for the elderly and for all urban consumers indicates that older Americans devote a substantially larger share of their medical care budget to physicians' services, followed by hospital room stays and commercial health insurance coverage.

Of the seven major expenditure components, the apparel category registered the smallest price change for all three population groups over the 1988–93 period.

Within the transaportation component, public transportation items such as airline fare, intercity bus fare, intercity train fare, and taxi fare had higher relative importance for the elderly than for all urban consumers. These items contributed to the observed overall higher inflation rates in the transportation component of the experimental index.

Like medical care, another expenditure component that rose significantly in all three indexes during the study period was the ''other goods and services'' category. However, unlike medical care, this component recorded the *smallest* increase in the experimental price index (41.8 percent), compared with the CPI-U (47.0 percent) and the CPI-W(46.2 percent). The reason for the lesser rise could be found in differences in the composition of the three populations. For instance, the CPI-U and CPI-W, with their relatively larger concentration of younger people,had a significantly higher relative importance for college tuition, which increased faster than the average of all items in each year of the study. In addition, the populations of all urban consumers and urban wage earners and clerical workers spend proportionately more for tobacco and other smoking products, which have also typically increased faster in price than the ''other goods and services'' component, of which they are a subcomponent. These items have thus contributed to the faster rise in the ''other goods and services'' component of the CPI-U and CPI-W relative to the experimental price index for older Americans.

COST-OF-LIVING ADJUSTMENTS

Adjustments to Social Security benefits are currently based on the percentage change in the CPI-W, measured from the average of the third quarter of one year to the third quarter of the succeeding year.

While the Senate Special Committee on Aging stipulated that the current study covers persons 62 years of age and older, this population is not likely to be the most appropriate one for defining and developing an index for use in indexing Social Security benefits. The reason is two-fold. First, many Social Security beneficiaries are younger than 62 years and receive benefits because they are surviving spouses or minor children of covered workers or because they are disabled. The spending patterns of this younger group are excluded in the weights for the experimental index for older Americans. Second, a substantial number of persons 62 years of age and older—especially those 62 to 64 years—do not receive Social Security benefits at all. Although these older consumers are included in the population covered by the reweighted experimental index, they presumably should be excluded from an index designed to reflect the experience of Social Security pensioners. In short, an index designed specifically to measure price changes for Social Security beneficiaries—that is, one that excludes older persons who do not receive benefits, but include younger persons who receive survival and disability benefits—might well show price movements that differ significantly from those of the experimental index set out in this article.

CONCLUSIONS

This article examined changes in three distinct Consumer Price Indexes—the Index for All Urban Consumers (CPI–U), Index for Urban Wage Earners and Clerical Workers (CPI–W), and experimental index for Americans 62 years of age and older—for the period December 1987 through December 1993. Analysis of the relative behavior of the three indexes at the all-items level reveals that the experimental index rose slightly faster than the two published indexes.

The experimental price index, reweighted to incorporate the spending patterns of older consumers, behaves more like the CPI-U than the CPI-W. This is to be expected, because the CPI-U comprises the expenditures of all urban consumers, including those 62 years of age and over. The CPI-W, on the other hand, is limited to the spending patterns of families of wage earners and of clerical workers and, therefore, specifically excludes the experience of families whose primary source of income is from retirement pensions.

As an estimate of the inflation rate experienced by older Americans, the experimental index has several limitations. One of these is that the samples from which expenditure weights for the index were calculated are substantially smaller than those used in either the CPI-U or the CPI-W. This means that the experimental price index is subject to larger sampling errors than either of the two official indexes.

To produce a more precise CPI for older Americans, sample sizes would need to be strengthened for the Consumer Expenditure Survey to reflect the spending habits of the elderly more accurately. In addition, the point-of-purchase survey and the pricing surveys would need to be improved to reflect which retail outlets and items should be sampled for older Americans. These improvements in the sample design could yield altogether different results from those obtained in the study described in this article. Finally, it should be noted that the medical care component of the CPI has a substantially larger relative weight in the experimental index than in the CPI-U or CPI-W. As a result, this component of the experimental index tends to have a larger impact on the elderly than it does on either all urban consumers or urban wage earners and clerical workers.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I thank my colleague from Nebraska. There is much that is good in this amendment. First of all, I applaud the bipartisan effort. We have had excessive partisanship in this body. So I like that, No. 1.

No. 2, I do differ with my friend from Nebraska in that you do not tackle the CPI. I think that has to be done. We cannot play games anymore with the American public. We cannot pander, and that is what we have been doing too much of.

But I say to my friends from Louisiana and Rhode Island, and they are my friends for whom I have a high regard, what you do in here—and I have talked to both of them about this—you limit direct lending for student aid to 40 percent.

It is very interesting that we finally passed an appropriations bill that knocked out that limit, and today, a committee made up by the Ford Foundation, the Rockefeller Foundation, and groups from the Business Roundtable picked—and I would like the attention of my colleagues from Rhode Island and Louisiana, because I am going to be asking them a question. Today, they made their annual clearance for finals in a governmental award that is given annually for innovation in Government that saves paperwork and saves money.

Mr. President, there were 1,656 nominations for various things that happened in the Federal Government. They have narrowed the list to 25. And guess what? Direct lending is 1 of the 25 that saves money and saves paperwork.

The State auditor of Colorado says the University of Colorado alone saves $191,000 a year on direct lending. The Department of Education, as a result of the appropriations bill, has increased the number of schools, colleges, and universities that can have direct lending from 1,350 to 1,800, about 45 percent of the colleges and universities of this Nation. Not a single 1 of the 1,350 who are on new direct lending want to go back to the old system. Not a single one. Now we have gone from 1,350 to 1,800.

I ask my friends from Louisiana and Rhode Island, which schools in Rhode Island and Louisiana do you want to tell you have to go back to the old system, you have to have more paperwork, more costs, and you cannot help your students as much?

Mr. BREAUX. Will the Senator yield?

Mr. SIMON. I yield to my friend from Louisiana.

Mr. BREAUX. I thank the Senator from Illinois for his comment. I particularly appreciate the comment on probably the most difficult point of our recommendation in our budget resolution, and that is the adjustment of the Consumer Price Index, which I think is critically important.

In order to specifically answer the Senator's question, we do not in this resolution make a decision at all on direct lending. We have a number for the committees. Your committee, the Labor and Human Resources Committee, will actually have to enact the legislative changes to reach the number we have suggested. They could do that by mandating 100 percent of the money be directly loaned or they can do a combination. We have suggested there be a cap to 40 percent, but that decision is going to be left uniquely to the committee of jurisdiction. I think the Senator from Illinois serves on that committee.

So this budget resolution is totally silent on whether there is a cap or whether there is not a cap on direct lending. That would be a legislative decision under the budget reconciliation of the Senator's committee as to whether that is a good thing to do or not.

Mr. SIMON. But my staff tells me that if this amendment is adopted, we have a 40 percent cap.

Mr. BREAUX. I will respond to the Senator, if he will yield further, that really is not correct. The only thing our budget resolution does is have a figure for the amount of money that can be spent on education. Your committee, when you get that resolution, will make a decision as to whether there is a cap on direct lending or whether there is no cap at all, as long as you can meet the budget reconciliation numbers.

Mr. SIMON. I think we can meet the numbers, frankly. I am going to check with my staff again. I have been told you have this 40 percent cap.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DOMENICI. Can I yield some time to Senator SIMON? I would like to make an observation to you and have an exchange with you on this. In my opinion, it is not the prerogative of a budget resolution, nor can it set the level of funding between those two programs.

If there is some assumption here, that is nothing more than an assumption. If there is a dollar number, that means that the committees of jurisdiction can proceed to do whatever they see fit within that dollar number. You cannot have something binding in that regard. You may have such a low number that you might conclude something is going to happen to my favorite program, but I do not believe there can be anything in the resolution that says that.

Mr. SIMON. The reality is, of course—if I may ask for an additional 60 seconds.

Mr. DOMENICI. You have 1 minute.

Mr. SIMON. The reality is direct lending under balanced scorekeeping, and we are trying to work that out with your staff right now. Direct lending saves money by any normal procedure, as the awards today have indicated. I will check this out with my staff. But if there is any kind of 40-percent limitation, frankly, I am going to have to oppose this, because I think it just tries to move us in the wrong direction.

I yield the floor.

AMENDMENT NO. 4002

Mrs. FEINSTEIN. Mr. President, I rise in opposition to amendment 4002 offered by the distinguished Senator from Mississippi, Senator LOTT. While its intent is surely positive, the effect would be to badly undermine United States interests with regard to Iraq.

First of all, it calls on the President to do something that is beyond is authority. The President does not have the power to unilaterally renegotiate the terms of U.N. Security Council Resolution 986, which the United States voted for.

Resolution 986 was passed in 1995 to provide humanitarian assistance to the Iraqi people, whose suffering Saddam Hussein was cynically exploiting to fracture the anti-Iraq coalition.

At that time, calls for sanctions to be lifted were increasing in the Arab world, and even from U.N. Security

Council members France and Russia. The consensus on maintaining sanctions was eroding.

Resolution 986 was a way of demonstrating to the world that our quarrel is with Saddam, not the Iraqi people, and to try to relieve some of their suffering, about which Saddam clearly does not care one bit.

The resolution requires an iron-clad U.N. monitoring program to ensure that the proceeds from up to $2 billion of oil sales over 6 months are deposited in a U.N. escrow account, which Saddam cannot touch. They would then be used primarily for humanitarian relief.

This morning, Iraq and the United Nations reached an agreement on implementing Resolution 986. Iraq will begin selling its oil within a few weeks. At that time, U.N. monitors will move in to ensure that the food and medicine is used properly and distributed equitably.

In addition to humanitarian relief, the funds will be used for two other important purposes: To support the U.N. Special Commission on Iraq, or UNSCOM, which is responsible for finding and dismantling Iraq's weapons of mass destruction, and which is badly in need of funds; and to support the U.N. Compensation Commission, which settles international claims against Iraq, for Kuwait, but also for U.S. companies and individuals harmed by the Iraqi invasion.

If we attempt to divert money from these causes, we will send a message that we don't care about the suffering of the Iraqi people. I cannot think of a better way for us to strengthen Saddam's standing inside Iraq. He would be able to blame the United States for his people's suffering.

Diverting money from humanitarian aid would also threaten to split the coalition. There would be renewed calls for lifting sanctions outright, especially in the Arab world. Resolution 986 maintains all sanctions on Iraq.

We would also undermine UNSCOM's crucial mission to ensure that Iraq's nuclear, chemical, biological, and missile programs are dead and buried. And we would send a message that we do not care about Kuwait, or even U.S. citizens, being compensated for losses suffered on account of Saddam's invasion.

It is certainly reasonable for the United States to seek compensation whenever possible for U.S. operations that support U.N. missions. But when those operations are in our interest, we need to be prepared to shoulder the burden.

Operation Provide Comfort and Operation Southern Watch both serve U.S. interests by containing Saddam's military and protecting the Kurds and Shiites (not the Sunnis, as erroneously stated in the amendment) of Iraq. That is why President Bush started both these operations after the Gulf War and why President Clinton has continued them.

In 1996, $646 million was authorized for Operation Provide Comfort and Operation Southern Watch, out of a total defense budget of $264.7 billion. Do you know what percentage of our defense budget that is? It is two-tenths of one percent of our total defense budget.

That's right. For two-tenths of one percent of our defense budget, we are containing Saddam Hussein's military, preventing him from flying his aircraft or threatening Kuwait, and providing crucial protection to the Kurds and Shiites of Iraq.

By any standard, that is a bargain. If we are not prepared to spend two-tenths of one percent of our defense budget to contain one of our most dangerous adversaries in a crucial part of the world, then why do we even have a defense budget?

We shouldn't jeopardize our interests in Iraq by insisting on compensation for conducting operations that are so clearly in our Nation's national interests. Britain, France, and Turkey also participate in these operations without compensation.

Although conducted with our allies, these operations are primarily U.S. operations, which means that we make decisions on how they are conducted. If we demand U.N. compensation for these operations, it is only a short leap to granting the United Nations greater say about the conduct of the mission.

I doubt that the sponsors of the amendment would advocate giving the United Nations greater control over U.S. troops conducting Operation Provide Comfort and Operation Southern Watch, but it seems to be the inevitable outcome of demanding compensation.

In short, this amendment urges the President to do something that (a) he cannot do, and (b) would badly undermine U.S. interests in Iraq. I urge my colleagues to oppose the amendment.

MILITARY INFRASTRUCTURE

Mr. DODD. Mr. President, I would like to take a brief moment to discuss our nation's security and the importance of adequate support for our military infrastructure.

I have long supported maintaining the level of military funding necessary to advance American interests, to honor our commitments abroad, and to continue to be an effective advocate for democracy and freedom throughout the world. In my view, we simply cannot expect to maintain our position of world leadership if we do not also maintain the strong military capabilities we have developed in recent years.

It was for these reasons that I voted against the amendment recently offered on the floor by my good friend and colleague from Iowa, Senator GRASSLEY. In my view, the cuts proposed in that amendment are simply too deep, and could jeopardize vital programs that are instrumental to protecting our national security.

I would like to take this opportunity to make clear my views on this issue. In committee, I voted for a similar amendment offered by Senator GRASSLEY, and I must say in all candor that I was under the wrong impression at that time, Mr. President. My vote in committee was inadvertent.

I do not mean to say that efforts to achieve more moderate savings are not worthwhile. Defense spending without limits, and without regard to the recommendations that the Defense Department itself has made, is irresponsible. We must continue to balance the very important priority such as education and the environment.

Mr. President, some say that the real threats to our Nation's security are not as great as they once were. I would only respond by saying that the potential threats are greater than ever. The advances in defense technology we have seen in recent years make possible wholly new capabilities for our military forces, but also require even greater effort to avoid losing our edge. Savings are possible, but we must not ignore the necessity of protecting our Nation's interests. For these reasons, I continue to support a level of military spending that maintains the effectiveness of the American fighting force.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I inquire of the Senators on the floor, how much time do they want to wrap up the evening? Are there some on your side?

Mr. EXON. I have not been advised, but I see the Senator from Wisconsin seeking recognition. Can he tell us about how much time he would like to have?

Mr. FEINGOLD. Fifteen minutes to offer an amendment.

Mr. EXON. We knew about that. There is one amendment over here; is that not right?

Mr. DOMENICI. Yes.

Mr. EXON. We have two amendments to dispose of. I hope the people offering those amendments will recognize we hope to leave by 10. So other than the Senator from Wisconsin on our side, who we agreed will offer an amendment, I have no further requests here.

Mr. DOMENICI. Might I just ask, how long did you say you might speak?

Mr. FEINGOLD. Up to 15 minutes.

Mr. CHAFEE. Mr. President, I have no further discussion on our amendment tonight. As I understand it, we have 1 hour equally divided tomorrow morning. The plan, as I understand it, is for us to start on our hour at 9:30. That is equally divided.

Mr. EXON. Is that the plan, to go on that at 9:30 in the morning?

Mr. DOMENICI. I believe we have reached an accommodation. They will be glad to be here at 9:30. They will take the first hour. That goes right up to departure time. There will be some Senators staying here during that hour and a half.

Mr. EXON. Oh, we are going to keep the Senate open?

Mr. DOMENICI. We plan to. That is how we are going to get things done.

Mr. EXON. That seems very reasonable to me.

Mr. DOMENICI. I wonder if I can propose this so perhaps the Senator from New Mexico can depart the Chamber. I want to offer an amendment that will take me 1 minute on behalf of Senator DOLE, and it will take its place among the amendments to be voted on in due course.

Senator FEINGOLD can go next for 15 minutes, and since there is no other Senator to be heard, that will be the extent of what we do here this evening.

ORDERS FOR TUESDAY, MAY 21, 1996

Mr. DOMENICI. Mr. President, with that in mind and assuming that will occur in that fashion, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9 a.m. on Tuesday, May 21; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the Senate then resume consideration of Senate Concurrent Resolution 57, the budget resolution; and, further, that there be 8½ hours of debate equally divided remaining on the resolution.

Mr. EXON. May I ask a question? Is it necessary, I ask my chairman, to yield back additional time so we only have 8½ hours left? Was that included in that?

Mr. DOMENICI. I assume when I stated the unanimous consent as I stated it, that would be what we have agreed to by consent.

Mr. EXON. I thank my chairman.

Mr. FEINGOLD addressed the Chair.

Mr. DOMENICI. Let me proceed for just a moment. Tomorrow——

The PRESIDING OFFICER. Does the Senator from Wisconsin wish to object?

Mr. FEINGOLD. I might inquire of the Chair, prior to the Senator's departure, I intended to ask for the yeas and nays on the amendment I am going to offer. I wonder if I could do that prior to the Senator's departure?

Mr. EXON. We are not adjourning. We are going to get your amendment in.

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the amendment even though it has not yet been tendered to the desk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The yeas and nays have been requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

PROGRAM

Mr. DOMENICI. Mr. President, tomorrow the Senate will resume consideration of the budget resolution. By consent, there are 8½ hours remaining for debate on the resolution. Therefore, any Member who still intends to offer an amendment should be prepared to offer that amendment during Tuesday's session. The first hour of the session is to be used by Senators CHAFEE and BREAUX on their amendment to complete debate thereon. All Members should expect a large number of consecutive rollcall votes at the expiration or the yielding back of the debate time. Those votes could begin as early as tomorrow afternoon, but most likely will begin on Wednesday morning. The Senate may also recess between the hours of 12:30 and 2:15 for the parties' weekly policy conferences if it is agreed that the time will be deducted from the overall time limitation.

Mr. EXON. That has been agreed to.

MORNING BUSINESS

TRIBUTE TO SOUTH DAKOTA'S ANNUAL LAW ENFORCEMENT APPRECIATION DINNER

Mr. PRESSLER. Mr. President, today I would like to pay tribute to a great tradition in the law enforcement community in my home State of South Dakota. On November 15, 1995, for the 14th year in a row, South Dakota held its Law Enforcement Appreciation Dinner and Charity Fundraiser. Under the leadership of a great South Dakotan, Gene Abdallah, the law enforcement appreciation dinner has grown from a small, informal gathering to one of the largest annual events in South Dakota.

The Law Enforcement Appreciation Dinner and Charity Fundraiser began in 1982. It has raised more than a quarter of a million dollars for South Dakota charities. The purpose of this annual event is to recognize law enforcement agencies and officers for their dedication and service to the public. It also gives South Dakota law enforcement the unique opportunity to gather together.

Widely known in South Dakota as ''Gene's Annual Game Feed,'' this event originally was the idea of former United States Marshal Gene Abdallah, who served South Dakota pheasant and other wild game to show his appreciation to his fellow law enforcement officers. At that first gathering, there were 53 people in attendance. Through the years, this event has grown to a remarkable size today. In 1994, more than 600 business and civic leaders attended as special guests, along with more than 800 law enforcement personnel. This event has become one of the largest gatherings of Federal, State, and local law enforcement personnel in the Nation.

The appreciation dinner also is dedicated to raising funds for needy organizations. In 1994, contributions from the event went to the Ronald McDonald House of Sioux Falls, the Make-A-Wish Foundation, the Children's Miracle Network, the South Dakota Special Olympics Torch Run, and $10,000 for food baskets for the less fortunate. Funds in 1995 were designated to the young victims of the Oklahoma City bombing, Food for the Less Fortunate of South Dakota, the Muscular Dystrophy Summer Camp, and the Spurs Therapeutic Academy.

This event would not be possible without the generous support of many South Dakotans who contribute through the purchase of VIP tables and sponsorship donations.

Mr. President, with great pride I salute all my friends in South Dakota who work so hard to make this tremendous event possible. I look forward to helping make this year's Law Enforcement Appreciation Dinner and Charity Fundraiser the most successful one ever.

TIM DOVE, MASTER TEACHER

Mr. DEWINE. Mr. President, I am pleased to take the floor today to recognize Tim Dove, a seventh grade teacher of Social Studies at the McCord Middle School in Worthington, Ohio. He has just been named Martha Holden Jennings Foundation Master Teacher for 1996.

''Teaching is Tim Dove's love and he excels at this vocation,'' wrote Jeanne Paliotto, principal of McCord Middle School where Tim teaches 7th grade Social Studies.

Dr. Damon Asbury, superintendent of Worthington City Schools, included this description of Tim's work in his letter of nomination: ''When I think of a Master Teacher, four qualities stand out as being among the most important. The Master Teacher is one who (1) demonstrates superior performance as a teacher and as a learner; (2) inspires students to excel; (3) serves as a model and mentor for colleagues; and (4) deals effectively with the wide range of diverse abilities, needs, and background among students. Tim Dove meets and exceeds these high standards.''

A graduate of Miami University—Ohio—with the MA from the Ohio State University, Tim is currently completing a Ph.D. program in global educational curriculum and techniques.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, May 17, 1996, the Federal debt stood at $5,114,511,847,123.90.

On a per capita basis, every man, woman, and child in America owes $19,308.54 as his or her share of that debt.

SENATOR PRESSLER CREATES NEW TOURISM AND EXPORT OPPORTUNITIES

Mr. LOTT. Mr. President, I rise today to praise our colleague from South Dakota, Senator PRESSLER, for the very important leadership he has provided to open new international air service

markets for U.S. passenger and cargo carriers. Senator PRESSLER's outstanding work in this regard has rewarded our economy with enormous new tourism and export opportunities.

As chairman of the Committee on Commerce, Science, and Transportation, Senator PRESSLER's outstanding leadership on numerous initiatives this Congress has been deservedly recognized on the Senate floor by Senators from both sides of the aisle. These significant accomplishments include passage of the landmark telecommunications law and commonsense product liability reform as well as the elimination of the Interstate Commerce Commission.

Today, I want to acknowledge another area in which Senator PRESSLER's leadership is paying enormous dividends for consumers and our economy. I speak about his bipartisan leadership in the area of creating new international air service opportunities for our passenger and cargo carriers. Let me add these efforts are in addition to the tremendously important and longstanding leadership Senator PRESSLER continues to provide in the areas of air service to small communities and aviation safety—two areas of great importance to me.

For instance, just 2 months ago, Senator PRESSLER's steadfast leadership was instrumental in securing a truly historic open skies agreement with the Federal Republic of Germany. The potential long-term economic benefits of this open skies agreement are enormous. In fact, consumers traveling to Germany this summer will immediately feel the impact of this agreement. As Senator PRESSLER has predicted, the United States/German open skies agreement will be a catalyst for further liberalization of the very lucrative United States/European Union air service market.

Mr. President, I wish to bring my colleagues' attention to two recent letters further acknowledging the critical role Senator PRESSLER played in obtaining the United States/German open skies agreement.

First, Secretary of Transportation, Federico Peña, recently wrote Senator PRESSLER ''[y]our strong support of the open-skies concept has been instrumental in making it possible for us to achieve this historic milestone [the U.S./German open skies agreement] in aviation. I applaud and greatly appreciate your bipartisan leadership role in the issue of great importance to all Americans.'' I ask unanimous consent that a copy of Secretary Peña's letter be inserted in the RECORD, at the conclusion of my remarks.

Second, German Transport Minister Matthias Wissmann recently wrote Senator PRESSLER to ''express my sincere gratitude for your steadfast leadership and unwavering commitment to the goal of a fully liberalized aviation relationship between the United States and Germany. You were a cornerstone in the political process in this development.'' I ask unanimous consent a copy of Minister Wissman's letter be printed in the RECORD.

Mr. President, let me conclude by saying I am very pleased to call the Senate's attention to the very important work Senator PRESSLER is doing in the area of international aviation. His efforts have been enormously beneficial to our economy, consumers, and the airline industry.

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

THE SECRETARY OF TRANSPORTATION,
Washington, DC, April 2, 1996.

Hon. LARRY PRESSLER,
Chairman, Committee on Commerce, Science, and Transportation, Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for letter offering congratulations on the initialling of the U.S.-German open-skies aviation agreement.

Your strong support of the open-skies concept has been instrumental in making it possible for us to achieve this historic milestone in aviation. I applaud and greatly appreciate your bipartisan leadership role on this issue of great importance to all Americans.

The U.S.-German aviation agreement coupled with the other eleven open-skies agreements in Europe provide the critical mass that guarantees a new era in global aviation—one that relies on the marketplace to determine the kind and quality of air services that are offered to consumers and begins a process that will remove governments from a role in air service decisions. This achievement means that U.S. consumers will benefit from a much greater array of service and price options that will be tailored to their specific needs.

I, as you, appreciate the outstanding work of DAS Mark Gerchick in providing the pivotal leadership that made it possible to achieve the agreement with Germany in one round of formal talks. Mark's efforts assured that a difficult negotiation was concluded with amazing speed while achieving all of our open-skies goals.

I look forward to continuing our collaboration on this and other issues as we work hard to build a better transportation future for our country. If we can be of further assistance, please contact me or Steven Palmer, Assistant Secretary for Governmental Affairs, at (202) 366–4573.

Sincerely,

FEDERICO PEÑA.

BUNDESMINISTER FUR VERKEHR,
Bonn, den 12, Marz 1996.

Hon. LARRY PRESSLER,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR SENATOR PRESSLER: Thank you for your letter of January 1996.

I want to express my sincere gratitude for your steadfast leadership and unwavering commitment to the goal of a fully liberalized aviation relationship between the United States and Germany. You were a cornerstone in the political process in this development.

Looking back to our meeting in July 1995, I have the strong feeling that at that time together we started to tread the path which finally led to this fine agreement.

Your articulate advocacy of the mutual benefits of such a relationship, especially for consumers in both of our countries, continues to be critical in making our open skies accord a reality. I also appreciate your kind words recognizing the special challenge we Germans face in Europe. By working together armed with that understanding, we can convert those challenges to opportunities and, as you have noted yourself, our U.S.-German accord will be the catalyst for expanding the benefits of open skies to Europe as a whole.

In this context I also want to commend the admirable endeavors of your collaborator Mike Korens, whose work for this agreement is outstanding. His great personal commitment and constant monitoring since the very beginning of the process has been rewarded with our final success.

I want to make use of this opportunity, dear Senator Pressler, to also congratulate you on the telecommunications Law which you authored.

I was very sorry to hear that you had to postpone your visit to Germany. Of course I would be delighted to re-schedule your trip in the near future at a time convenient to you.

Sincerely,

MATTHIAS WISSMANN.

EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–2662. A communication from the Under Secretary for Technology, Department of Commerce, transmitting, pursuant to law, the report of rule relative to Federal Agency Guidance for the Acquisition of Modular Metric Construction Products (RIN0693-XX18) received on May 16, 1996; to the Commerce, Science, and Transportation.

EC–2663. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report on Tanker Inspection Standards; to the Committee on Commerce, Science, and Transportation.

EC–2664. A communication from the Managing Director of the Federal Communication Communication, transmitting, pursuant to law, the report of rule relative to the inspection of ships subject to the Great Lake Agreement; to the Committee on Commerce, Science, and Transportation.

EC–2665. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule relative to Capital Leases (RIN 2132-AA55) received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2666. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule relative to the safety zone at Long Beach Harbor, CA, (RIN AA97) received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2667. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a temporary final rule relative to a special location regulation for Quonset Open House at North Kingstown, RI, (RIN 2115-AE46) received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2668. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule relative to the adoption of industry standards (RIN 2115-AF09) received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2669. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the report of

a final rule entitled ''Rules and Regulations Under the Textile Fiber Products Identification Act: Notice of Final Rulemaking'', received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2670. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the report of a rule entitled ''Trade Regulation Rule on Misbranding and Deception as to Leather Content of Waist Belts'', received on May 16, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2671. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a final rule concerning the prohibition of retaining Pacific cod in the Central Regulatory Area of the Gulf of Alaska, received on May 13, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2672. A communication from the Program Management Officer of the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule concerning the American lobster fishery that clarifies the enforcement of regulations governing this fishery in the exclusive economic zone (RIN 0648-XX61), received on May 13, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2673. A communication from the Program Management Officer of the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule concerning the annual management measures and a technical amendment for the ocean salmon fisheries off the coasts of Washington, Oregon, and California (RIN 0648-AI35), received on May 13, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2674. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report concerning the future of the Interstate Commerce Commission; to the Committee on Commerce, Science, and Transportation.

EC–2675. A communication from the Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of three final rules concerning inseason closures in the Gulf of Alaska and in the Bering Sea and Aleutian Islands, received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2676. A communication from the Program Management Officer of the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule concerning the implementation of approved measures contained in Amendment Five to the Fishery Management Plan for the Atlantic Mackerel, Squid, and Butterfish Fisheries, received on May 13, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2677. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule concerning the Coast Guard's adopting of the special local regulations for the Boating Safety Parade, sponsored by the Charleston Power Squadron (RIN 2115-AE46), received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2678. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule concerning the establishment of the date and time for this year's Regatta and amends the permanent regulation, received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2679. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule concerning the Coast Guard's establishing of a safety zone for the Fire Island Lighthouse Fireworks Display to be held on Great South Bay, Fire Island, NY, received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2680. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule concerning the special local regulations that are being adopted for the Key West Super Boat Race sponsored by Super Boat Racing, Inc. (RIN 2115-AE46), received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2681. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule concerning the Coast Guard's establishment of a permanent special local regulation for the World's Fastest Lobster Boat Race in the waters of Moosabec Reach, Jonesport, ME (RIN 2115-AE46), received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2682. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule concerning the Coast Guard's revising of the regulations governing the operations of the CSX railroad bridge at mile eighteen over the Saginaw River in Saginaw, Michigan (RIN 2115-AE47), received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2683. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule concerning the minor adjustments of a previous rule about the procedures and methodology for determining Great Lakes pilotage rates (RIN 2105-AC21), received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2684. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule concerning the requirements of Office Management and Budget Circular A-128, audits of state and local governments (RIN 2105-AC44), received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2685. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule concerning the prohibition of retaining Pacific cod in the Western Regulatory Area of the Gulf of Alaska, received on May 13, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2686. A communication from the Acting Deputy Assistant Administrator for Ocean Services and Coastal Zone Management, National Ocean Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule concerning the removal of the Ocean Thermal Energy Conversion Act regulations from the Code of Federal Regulations (RIN 0648-AI42), received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2687. A communication from the Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule relative to state by state commercial quotas for the 1996 summer flounder fishery, received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2688. A communication from the Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule relative to regulations for special exception permits: Take, import, and export marine mammals under the Marine Mammal Protection Act and the Endangered Species Act (RIN 0648-AD11), received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2689. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of final rule relative to lifesaving equipment (RIN 2115-AB72), received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2690. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule relative to Rotocraft regulatory changes based on European joint aviation requirements (RIN2120-AF65), received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2691. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of three final rules relative to the establishment of Class E airspace (RIN 2120-AA66), received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2692. A communication from the general counsel of the Department of Transportation, transmitting, pursuant to law, the report of five final rules relative to Airworthiness Standards and Directives (RIN 2120-AB36 and RIN 2120-AA64), received on May 9, 1996; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mrs. KASSEBAUM, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 1578. A bill to amend the Individuals with Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes (Rept. No. 104–275).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. BREAUX:

S. 1778. A bill to suspend temporarily the duty on indolenine; to the Committee on Finance.

S. 1779. A bill to suspend temporarily the duty on Bis (4-amino-3-methylcyclohexyl)-methane; to the Committee on Finance.

By Mr. EXON (for himself and Mr. KERREY):

S. 1780. A bill to revise the boundary of the North Platte National Wildlife Refuge, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CRAIG:

S. 1781. A bill to amend the Harmonized Tariff Schedule of the United States to provide for duty free treatment for epoxide resins; to the Committee on Finance.

S. 1782. A bill to amend the Harmonized Tariff Schedule of the United States to provide for duty free treatment for certain injection molding machines; to the Committee on Finance.

S. 1783. A bill to amend the Harmonized Tariff Schedule of the United States to provide for duty free treatment for certain semi-manufactured forms of gold; to the Committee on Finance.

By Mr. BOND:

S. 1784. A bill to amend the Small Business Investment Act of 1958, and for other purposes; to the Committee on Small Business.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. EXON (for himself and Mr. KERREY):

S. 1780. A bill to revise the boundary of the North Platte National Wildlife Refuge, and for other purposes; to the Committee on Environment and Public Works.

NORTH PLATTE WILDLIFE REFUGE LEGISLATION

Mr. EXON. Mr. President, I rise today to introduce legislation along with Senator KERREY to revise the boundary of the North Platte National Wildlife Refuge in western Nebraska. This bill, which passed the House on April 23 of this year, would remove 2,470 acres of land from the North Platte National Wildlife Refuge.

This bill was created through the joint efforts of the community leaders of western Nebraska and the U.S. Fish and Wildlife Service. It is indeed a great example of how government works best when Federal, State and local governments work together.

The refuge, located just outside Scottsbluff, NE, was established in the early part of this century as a preserve and breeding ground for native waterfowl. The refuge is also home to a Bureau of Reclamation irrigation project. Over the years the refuge has been managed jointly by the U.S. Fish and Wildlife Service and the Bureau of Reclamation. The Fish and Wildlife Service managed the wildlife aspects of the refuge and the Bureau managed the recreation. In 1986, the Bureau turned over management of the recreational aspects to the Fish and Wildlife Service.

In 1990, a directive was issued that required the Fish and Wildlife Service to bring all areas of the refuge, including Lake Minatare, into compliance with Federal regulations. It soon became apparent to local residents that this directive essentially would prohibit all recreational and residential use of Lake Minatare, uses that had been commonplace under the jurisdiction of the Bureau of Reclamation.

There was no doubt that this directive would have a significant impact on local tourism and the economy of the Scottsbluff area. Likewise, interest in maintaining the recreational use of the lake was very strong among local citizens. At the urging of local leaders, the Fish and Wildlife Service agreed to perform an environmental assessment of the refuge. At the end of their assessment, the Fish and Wildlife Service concluded that the best course of action would be to end their jurisdiction over portions of the refuge that were no longer as effective as wildlife habitat as they once were and were really better suited for recreational use.

I am pleased to report, Mr. President, that this bill has the overwhelming support of the Department of the Interior and the U.S. Fish and Wildlife Service.

I might also mention that my district office in Scottsbluff received numerous letters from local citizens in support of this effort. I am proud of the work of the citizens of western Nebraska on this issue and of the cooperation they received from the Fish and Wildlife Service. This effort is indeed a fine example of how the Federal Government and local citizens can and should work together to manage our Nation's wildlife areas to the benefit of everyone involved.

Mr. President, I urge my colleagues to quickly support this important legislation.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

PRESS RELEASE

WASHINGTON, DC—U.S. Senators Jim Exon (D–NE) and Bob Kerrey (D–NE) today introduced a bill that will allow continued recreational use of Lake Minatare near Scottsbluff. The bill would revise the boundary of the North Platte National Wildlife Refuge in western Nebraska so that the lake can continue to be used by boaters, campers, and fishermen.

The legislation is needed because of a directive issued in 1990 that requires the U.S. Fish and Wildlife Service to bring 2,500 acres of the lake and surrounding area into compliance with Federal rules governing the use of wildlife refuges. The directive would declare motorized boats off limits and prohibit the use of cabins near the lake.

''This is an example of how we can work together to change a federal rule that doesn't make any sense,'' Exon and Kerrey said. ''There is no doubt that the original directive would have endangered local tourism and damaged the economy of the Panhandle. This bill will ensure both the protection of wildlife in the refuge and the continued use of Lake Minatare as an important recreation area for Nebraska residents and visitors.''

The legislation was created through the joint efforts of community leaders, the U.S. Fish and Wildlife Service and the state's congressional delegation. Exon and Kerrey said many residents have called their western Nebraska senate office in support of the bill. Representative Bill Barrett introduced identical legislation in the House that passed last month. It is supported by both the U.S. Department of the Interior and the U.S. Fish and Wildlife Service.

Mr. KERREY. Mr. President, I rise to the floor today to support the North Platte National Wildlife Refuge boundary revision. The proposed bill would remove about 2,470 acres of land from the refuge and transfer it to the Bureau of Reclamation. The U.S. Fish and Wildlife Service reports that the land, establish as a refuge early in this century, no longer serves the goals of the national refuge system. Although the area is no longer suitable as a wildlife refuge, it does offer citizens of Nebraska a valuable recreation area. Thousands of Nebraska's citizens enjoy both water and land recreation in the area. The transfer of the land to the Bureau of Reclamation will allow the Bureau to lease the land to the Nebraska Game and Parks Commission who will manage the property. The Department of the Interior strongly supports this legislation.

I commend both Federal and State officials for working closely with the local community to achieve this coordinated agreement. It is a fine example of the Federal Government, the State government, and the local community working together to improve the quality and accessibility public areas.

By Mr. BOND:

S. 1784. A bill to amend the Small Business Investment Act of 1958, and for other purposes; to the Committee on Small Business.

THE SMALL BUSINESS INVESTMENT COMPANY IMPROVEMENT ACT OF 1996

● Mr. BOND. Mr. President, I introduce the Small Business Investment Company Improvement Act of 1996. Since 1958, firms licensed under the Small Business Investment Company Program have made venture capital investment funds available to small businesses when traditional lending sources, such as banks and Wall Street investment firms, would not meet their funding needs.

The Small Business Investment Company Improvement Act of 1996 would take some significant strides to enhance the safety and soundness of the SBIC program. For the past year, the Committee on Small Business has conducted a series of hearings on the SBIC program. Government and private sector witnesses have testified on ways to improve the program and build on the legislation passed by the Congress in 1992 that created the Participating Security Program.

This bill incorporates portions of the recommendations from the SBIC Reinvention Council, operating SBIC's and Specialized SBIC's, and the President's fiscal year 1997 budget request. The bill would reduce the risk of SBIC defaults by putting in place statutory standards governing the licensing and leveraging of SBIC's. In addition, it imposes important safeguards governing the operating practices of SBIC's by requiring frequent and meaningful examinations of SBIC licensees and their investments. This bill would also require that all SBIC's invest in smaller enterprises, which are small businesses at the lower end of the eligible size standards. Lastly, the bill would increase fees paid by SBIC's to help lower

the cost of the program to the Federal Government.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 1784

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; INCORPORATED DEFINITIONS.

This Act may be cited as the ''Small Business Investment Company Improvement Act of 1996''.

SEC. 2. DEFINITIONS.

(a) SMALL BUSINESS CONCERN.—Section 103(5) of the Small Business Investment Act of 1958 (15 U.S.C. 662(5)) is amended by inserting before the semicolon the following: '', except that, for purposes of this Act, an investment by a venture capital firm, investment company (including a small business investment company) employee welfare benefit plan or pension plan, or trust, foundation, or endowment that is exempt from Federal income taxation—

''(A) shall not cause a business concern to be deemed not independently owned and operated;

''(B) shall be disregarded in determining whether a business concern satisfies size standards established pursuant to section 3(a)(2) of the Small Business Act; and

''(C) shall be disregarded in determining whether a small business concern is a smaller enterprise''.

(b) PRIVATE CAPITAL.—Section 103(9) of the Small Business Investment Act of 1958 (15 U.S.C. 662(9)) is amended to read as follows:

''(9) the term 'private capital'—

''(A) means the sum of—

''(i) the paid-in capital and paid-in surplus of a corporate licensee, the contributed capital of the partners of a partnership licensee, or the equity investment of the members of a limited liability company licensee; and

''(ii) unfunded binding commitments, from investors that meet criteria established by the Administrator, to contribute capital to the licensee; provided that such unfunded commitments may be counted as private capital for purposes of approval by the Administrator of any request for leverage, but leverage shall not be funded based on such commitments; and

''(B) does not include any—

''(i) funds borrowed by a licensee from any source;

''(ii) funds obtained through the issuance of leverage; or

''(iii) funds obtained directly or indirectly from any Federal, State, or local government, or any government agency or instrumentality, except for—

''(I) funds invested by an employee welfare benefit plan or pension plan; and

''(II) any qualified nonprivate funds (if the investors of the qualified nonprivate funds do not control, directly or indirectly, the management, board of directors, general partners, or members of the licensee);''.

(c) NEW DEFINITIONS.—Section 103 of the Small Business Investment Act of 1958 (15 U.S.C. 662) is amended by striking paragraph (10) and inserting the following:

''(10) the term 'leverage' includes—

''(A) debentures purchased or guaranteed by the Administration;

''(B) participating securities purchased or guaranteed by the Administration; and

''(C) preferred securities outstanding as of October 1, 1995;

''(11) the term 'third party debt' means any indebtedness for borrowed money, other than indebtedness owed to the Administration;

''(12) the term 'smaller enterprise' means any small business concern that, together with its affiliates—

''(A) has—

''(i) a net financial worth of not more than $6,000,000, as of the date on which assistance is provided under this Act to that business concern; and

''(ii) an average net income for the 2-year period preceding the date on which assistance is provided under this Act to that business concern, of not more than $2,000,000, after Federal income taxes (excluding any carryover losses); or

''(B) satisfies the standard industrial classification size standards established by the Administration for the industry in which the small business concern is primarily engaged;

''(13) the term 'qualified nonprivate funds' means any—

''(A) funds directly or indirectly invested in any applicant or licensee on or before August 16, 1982, by any Federal agency, other than the Administration, under a provision of law explicitly mandating the inclusion of those funds in the definition of the term 'private capital';

''(B) funds directly or indirectly invested in any applicant or licensee by any Federal agency under a provision of law enacted after September 4, 1992, explicitly mandating the inclusion of those funds in the definition of the term 'private capital'; and

''(C) funds invested in any applicant or licensee by one or more State or local government entities (including any guarantee extended by those entities) in an aggregate amount that does not exceed—

''(i) 33 percent of the private capital of the applicant or licensee if such funds were invested before June 30, 1996; or

''(ii) 20 percent of the private capital of the applicant or licensee if such funds were invested on or after June 30, 1996;

''(14) the terms 'employee welfare benefit plan' and 'pension plan' have the same meanings as in section 3 of the Employee Retirement Income Security Act of 1974, and are intended to include—

''(A) public and private pension or retirement plans subject to such Act; and

''(B) similar plans not covered by such Act that have been established and that are maintained by the Federal Government or any State or political subdivision, or any agency or instrumentality thereof, for the benefit of employees;

''(15) the term 'member' means, with respect to a licensee that is a limited liability company, a holder of an ownership interest or a person otherwise admitted to membership in the limited liability company; and

''(16) the term 'limited liability company' means a business entity that is organized and operating in accordance with a State limited liability company statute approved by the Administration.''.

SEC. 3. ORGANIZATION OF SMALL BUSINESS INVESTMENT COMPANIES.

(a) LIMITED LIABILITY COMPANIES.—Section 301(a) of the Small Business Investment Act of 1958 (15 U.S.C. 681(a)) is amended in the first sentence, by striking ''body or'' and inserting ''body, a limited liability company, or''.

(b) ISSUANCE OF LICENSE.—Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)) is amended to read as follows:

''(c) ISSUANCE OF LICENSE.—

''(1) SUBMISSION OF APPLICATION.—Each applicant for a license to operate as a small business investment company under this Act shall submit to the Administrator an application, in a form and including such documentation as may be prescribed by the Administrator.

''(2) PROCEDURES.—

''(A) STATUS.—Not later than 90 days after the initial receipt by the Administrator of an application under this subsection, the Administrator shall provide the applicant with a written report detailing the status of the application and any requirements remaining for completion of the application.

''(B) APPROVAL OR DISAPPROVAL.—Within a reasonable time after receiving a completed application submitted in accordance with this subsection and in accordance with such requirements as the Administrator may prescribe by regulation, the Administrator shall—

''(i) approve the application and issue a license for such operation to the applicant if the requirements of this section are satisfied; or

''(ii) disapprove the application and notify the applicant in writing of the disapproval.

''(3) MATTERS CONSIDERED.—In reviewing and processing any application under this subsection, the Administrator—

''(A) shall determine whether—

''(i) the applicant meets the requirements of subsections (a) and (c) of section 302; and

''(ii) the management of the applicant is qualified and has the knowledge, experience, and capability necessary to comply with this Act;

''(B) shall take into consideration—

''(i) the need for and availability of financing for small business concerns in the geographic area in which the applicant is to commence business;

''(ii) the general business reputation of the owners and management of the applicant; and

''(iii) the probability of successful operations of the applicant, including adequate profitability and financial soundness; and

''(C) shall not take into consideration any projected shortage or unavailability of leverage.

''(4) EXCEPTION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this Act, the Administrator may, in the discretion of the Administrator and based on a showing of special circumstances and good cause, approve an application and issue a license under this subsection with respect to any applicant that—

''(i) has private capital of not less than $3,000,000;

''(ii) would otherwise be issued a license under this subsection, except that the applicant does not satisfy the requirements of section 302(a); and

''(iii) has a viable business plan reasonably projecting profitable operations and a reasonable timetable for achieving a level of private capital that satisfies the requirements of section 302(a).

''(B) LEVERAGE.—An applicant licensed pursuant to the exception provided in this paragraph shall not be eligible to receive leverage as a licensee until the applicant satisfies the requirements of section 302(a).''.

(c) SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES.—Section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)) is repealed.

SEC. 4. CAPITAL REQUIREMENTS.

(a) INCREASED MINIMUM CAPITAL REQUIREMENTS.—Section 302(a) of the Small Business Investment Act of 1958 (15 U.S.C. 682(a)) is amended by striking ''(a)'' and all that follows through ''The Administration shall also determine the ability of the company,'' and inserting the following:

''(a) AMOUNT.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the private capital of each licensee shall be not less than—

''(A) $5,000,000; or

''(B) $10,000,000, with respect to each licensee authorized or seeking authority to issue participating securities to be purchased or guaranteed by the Administration under this Act.

''(2) EXCEPTION.—The Administrator may, in the discretion of the Administrator and based on a showing of special circumstances and good cause, permit the private capital of a licensee authorized or seeking authorization to issue participating securities to be purchased or guaranteed by the Administration to be less than $10,000,000, but not less than $5,000,000, if the Administrator determines that such action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government.

''(3) ADEQUACY.—In addition to the requirements of paragraph (1), the Administrator shall—

''(A) determine whether the private capital of each licensee is adequate to assure a reasonable prospect that the licensee will be operated soundly and profitably, and managed actively and prudently in accordance with its articles; and

''(B) determine that the licensee will be able''.

(b) EXEMPTION FOR CERTAIN LICENSEES.—Section 302(a) of the Small Business Investment Act of 1958 (15 U.S.C. 682(a)) is amended by adding at the end the following new paragraph:

''(4) EXEMPTION FROM CAPITAL REQUIREMENTS.—

''(A) AUTHORITY TO EXEMPT.—The Administrator may, in the discretion of the Administrator, exempt from the capital requirements in paragraph (1) any licensee licensed under subsection (c) or (d) of section 301 before the date of enactment of the Small Business Investment Company Improvement Act of 1996, if—

''(i) the private capital of the licensee is not less than $2,500,000;

''(ii) the licensee certifies in writing that not less than 50 percent of the aggregate dollar amount of its financings after the date of enactment of the Small Business Investment Company Improvement Act of 1996 will be provided to smaller enterprises; and

''(iii) the Administrator determines that the licensee—

''(I) has a record of profitable operations; and

''(II) has not committed any serious or continuing violation of any applicable provision of Federal or State law or regulation.

''(B) REDUCTION OF PRIVATE CAPITAL REQUIREMENT.—If the Administrator determines that such action would not create or otherwise contribute to an unreasonable risk of default or loss to the United States Government, the Administrator, in the discretion of the Administrator and based on a showing of special circumstances and good cause, may reduce the private capital requirement under subparagraph (A)(i) with respect to any licensee.''.

(c) DIVERSIFICATION OF OWNERSHIP.—Section 302(c) of the Small Business Investment Act of 1958 (15 U.S.C. 682(c)) is amended to read as follows:

''(c) DIVERSIFICATION OF OWNERSHIP.—The Administrator shall ensure that the management of each licensee licensed after the date of enactment of the Small Business Investment Company Improvement Act of 1996 is sufficiently diversified from and unaffiliated with the ownership of the licensee in a manner that ensures independence and objectivity in the financial management and oversight of the investments and operations of the licensee.''.

SEC. 5. BORROWING.

(a) DEBENTURES.—Section 303(b) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)) is amended in the first sentence, by striking ''(but only'' and all that follows through ''terms)''.

(b) THIRD PARTY DEBT.—Section 303(c) of the Small Business Investment Act of 1958 (15 U.S.C. 683(c)) is amended to read as follows:

''(c) THIRD PARTY DEBT.—The Administrator—

''(1) shall not permit a licensee having outstanding leverage to incur third party debt that would create or contribute to an unreasonable risk of default or loss to the Federal Government; and

''(2) shall permit such licensees to incur third party debt only on such terms and subject to such conditions as may be established by the Administrator, by regulation or otherwise.''.

(c) REQUIREMENT TO FINANCE SMALLER ENTERPRISES.—Section 303(d) of the Small Business Investment Act of 1958 (15 U.S.C. 683(d)) is amended to read as follows:

''(d) REQUIREMENT TO FINANCE SMALLER ENTERPRISES.—The Administrator shall require each licensee, as a condition of approval of an application for leverage, to certify in writing that not less than 20 percent of the aggregate dollar amount of the financings of the licensee will be provided to smaller enterprises.''.

(d) CAPITAL IMPAIRMENT REQUIREMENTS.—Section 303(e) of the Small Business Investment Act of 1958 (15 U.S.C. 683(e)) is amended to read as follows:

''(e) CAPITAL IMPAIRMENT.—Before approving any application for leverage submitted by a licensee under this Act, the Administrator—

''(1) shall determine that the private capital of the licensee meets the requirements of section 302(a); and

''(2) shall determine, taking into account the nature of the assets of the licensee, the amount and terms of any third party debt owed by such licensee, and any other factors determined to be relevant by the Administrator, that the private capital of the licensee has not been impaired to such an extent that the issuance of additional leverage would create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government.''.

(e) EQUITY INVESTMENT REQUIREMENT.—Section 303(g)(4) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(4)) is amended by striking ''and maintain''.

(f) FEES.—Section 303 of the Small Business Investment Act of 1958 (15 U.S.C. 683) is amended—

(1) in subsection (b), in the fifth sentence, by striking ''1 per centum,'' and all that follows before the period at the end of the sentence and inserting the following: ''1 percent, plus an additional charge of .50 percent per annum which shall be paid to and retained by the Administration'';

(2) in subsection (g)(2), by striking ''1 per centum,'' and all that follows before the period at the end of the paragraph and inserting the following: ''1 percent, plus an additional charge of .50 percent per annum which shall be paid to and retained by the Administration''; and

(3) by adding at the end the following new subsections:

''(i) LEVERAGE FEE.—With respect to leverage granted by the Administration to a licensee, the Administration shall collect from the licensee a nonrefundable fee in an amount equal to 3 percent of the face amount of leverage granted to the licensee, payable upon the earlier of the date of entry into any commitment for such leverage or the date on which the leverage is drawn by the licensee.

''(j) CALCULATION OF SUBSIDY RATE.—All fees, interest, and profits received and retained by the Administration under this section shall be included in the calculations made by the Director of the Office of Management and Budget to offset the cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of purchasing and guaranteeing debentures and participating securities under this Act.''.

SEC. 6. LIABILITY OF THE UNITED STATES.

Section 308(e) of the Small Business Investment Act of 1958 (15 U.S.C. 687(e)) is amended by striking ''Nothing'' and inserting ''Except as expressly provided otherwise in this Act, nothing''.

SEC. 7. EXAMINATIONS; VALUATIONS.

(a) EXAMINATIONS.—Section 310(b) of the Small Business Investment Act of 1958 (15 U.S.C. 687b(b)) is amended in the first sentence by inserting ''which may be conducted with the assistance of a private sector entity that has both the qualifications to conduct and expertise in conducting such examinations,'' after ''Investment Division of the Administration,''.

(b) VALUATIONS.—Section 310(d) of the Small Business Investment Act of 1958 (15 U.S.C. 687b(d)) is amended to read as follows:

''(d) VALUATIONS.—

''(1) FREQUENCY OF VALUATIONS.—

''(A) IN GENERAL.—Each licensee shall submit to the Administrator a written valuation of the loans and investments of the licensee not less often than semiannually or otherwise upon the request of the Administrator, except that any licensee with no leverage outstanding shall submit such valuations annually, unless the Administrator determines otherwise.

''(B) MATERIAL ADVERSE CHANGES.—Not later than 30 days after the end of a fiscal quarter of a licensee during which a material adverse change in the aggregate valuation of the loans and investments or operations of the licensee occurs, the licensee shall notify the Administrator in writing of the nature and extent of that change.

''(C) INDEPENDENT CERTIFICATION.—

''(i) IN GENERAL.—Not less than once during each fiscal year, each licensee shall submit to the Administrator the financial statements of the licensee, audited by an independent certified public accountant approved by the Administrator.

''(ii) AUDIT REQUIREMENTS.—Each audit conducted under clause (i) shall include—

''(I) a review of the procedures and documentation used by the licensee in preparing the valuations required by this section; and

''(II) a statement by the independent certified public accountant that such valuations were prepared in conformity with the valuation criteria applicable to the licensee established in accordance with paragraph (2).

''(2) VALUATION CRITERIA.—Each valuation submitted under this subsection shall be prepared by the licensee in accordance with valuation criteria, which shall—

''(A) be established or approved by the Administrator; and

''(B) include appropriate safeguards to ensure that the noncash assets of a licensee are not overvalued.''.

SEC. 8. TRUSTEE OR RECEIVERSHIP OVER LICENSEES.

(a) IN GENERAL.—Section 311 of the Small Business Investment Act of 1958 (15 U.S.C. 687c) is amended by adding at the end the following new subsection:

''(d) APPOINTMENT OF PRINCIPAL RECEIVERS AND AGENTS.—

''(1) IN GENERAL.—Upon appointment as a receiver, as described in subsection (c), the Administrator may appoint principal receivers and receiver's agents.

''(2) COMPENSATION.—A receiver's agent appointed under paragraph (1) may be paid—

''(A) at any time from salaries and expense amounts appropriated for the Administration, and the Administration may be reimbursed for such amounts from amounts recovered from the liquidation of any assets of the licensee at the conclusion of the receivership; or

''(B) from amounts recovered from the liquidation of any assets of the licensee, but only at the conclusion of the receivership.''.

(b) CONTRACTS WITH PRIVATE SECTOR ENTITIES.—

(1) IN GENERAL.—Not later than June 30, 1997, the Small Business Administration shall enter into one or more contracts or arrangements with private sector entities to provide for the orderly liquidation of all licensee assets in liquidation, including assets of licensees in receivership or in trust with respect to which the court has appointed the Administration as receiver or trustee under section 311 of the Small Business Investment Act of 1958.

(2) DEFINITION.—For purposes of this subsection, the term ''licensee'' has the same meaning as in section 103 of the Small Business Investment Act of 1958.

SEC. 9. BOOK ENTRY REGISTRATION.

Subsection 321(f) of the Small Business Investment Act of 1958 (15 U.S.C. 687*l*) is amended by adding at the end the following new paragraph:

''(5) Nothing in this subsection shall prohibit the utilization of a book entry or other electronic form of registration for trust certificates.''.

SEC. 10. TECHNICAL AND CONFORMING AMENDMENTS.

The Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) is amended—

(1) in section 303—

(A) in subsection (a), by striking ''debenture bonds,'' and inserting ''securities,'';

(B) by striking subsection (f) and inserting the following:

''(f) REDEMPTION OR REPURCHASE OF PREFERRED STOCK.—Notwithstanding any other provision of law—

''(1) the Administrator may allow the issuer of any preferred stock sold to the Administration before November 1, 1989 to redeem or repurchase such stock, upon the payment to the Administration of an amount less than the par value of such stock, for a repurchase price determined by the Administrator after consideration of all relevant factors, including—

''(A) the market value of the stock;

''(B) the value of benefits provided and anticipated to accrue to the issuer;

''(C) the amount of dividends paid, accrued, and anticipated; and

''(D) the Administrator's estimate of any anticipated redemption; and

''(2) any moneys received by the Administration from the repurchase of preferred stock shall be available solely to provide debenture leverage to licensees having 50 percent or more in aggregate dollar amount of their financings invested in smaller enterprises.''; and

(C) in subsection (g)(8)—

(i) by striking ''partners or shareholders'' and inserting ''partners, shareholders, or members'';

(ii) by striking ''partner's or shareholder's'' and inserting ''partner's, shareholder's, or member's''; and

(iii) by striking ''partner or shareholder'' and inserting ''partner, shareholder, or member'';

(2) in section 308(h), by striking ''subsection (c) or (d) of section 301'' each place that term appears and inserting ''section 301'';

(3) in section 310(c)(4), by striking ''not less than four years in the case of section 301(d) licensees and in all other cases,'';

(4) in section 312—

(A) by striking ''shareholders or partners'' and inserting ''shareholders, partners, or members''; and

(B) by striking ''shareholder, or partner'' each place that term appears and inserting ''shareholder, partner, or member'';

(5) by striking sections 317 and 318, and redesignating sections 319 through 322 as sections 317 through 320, respectively;

(6) in section 319, as redesignated—

(A) in subsection (a), by striking '', including companies operating under the authority of section 301(d),''; and

(B) in subsection (f)(2), by inserting ''or investments in obligations of the United States'' after ''accounts'';

(7) in section 320, as redesignated, by striking ''section 321'' and inserting ''section 319''; and

(8) in section 509—

(A) in subsection (a)(1), by striking the second sentence; and

(B) in subsection (e)(1)(B), by striking ''subsection (c) or (d) of section 301'' and inserting ''section 301''.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

Section 20(p)(3) of the Small Business Act (15 U.S.C. 631 note) is amended by striking subparagraph (B) and inserting the following:

''(B) $300,000,000 in guarantees of debentures; and''.

SEC. 12. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on the date of enactment of this Act.●

ADDITIONAL COSPONSORS

S. 969

At the request of Mr. BRADLEY, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 1487

At the request of Mr. GRAMM, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1487, a bill to establish a demonstration project to provide that the Department of Defense may receive medicare reimbursement for health care services provided to certain medicare-eligible covered military beneficiaries.

S. 1522

At the request of Mr. LEVIN, his name was withdrawn as a cosponsor of S. 1522, a bill to provide for the transfer of six obsolete tugboats of the Navy.

S. 1578

At the request of Mr. FRIST, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 1578, a bill to amend the Individuals with Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes.

S. 1596

At the request of Mr. MURKOWSKI, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 1596, a bill to direct a property conveyance in the State of California.

S. 1624

At the request of Mr. HATCH, the names of the Senator from Pennsylvania [Mr. SANTORUM], the Senator from Nevada [Mr. BRYAN], the Senator from Montana [Mr. BAUCUS], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of S. 1624, a bill to reauthorize the Hate Crime Statistics Act, and for other purposes.

S. 1646

At the request of Mr. DOMENICI, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 1646, a bill to authorize and facilitate a program to enhance safety, training, research and development, and safety education in the propane gas industry for the benefit of propane consumers and the public, and for other purposes.

S. 1729

At the request of Mrs. HUTCHISON, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 1729, a bill to amend title 18, United States Code, with respect to stalking.

SENATE CONCURRENT RESOLUTION 42

At the request of Mrs. KASSEBAUM, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of Senate Concurrent Resolution 42, a concurrent resolution concerning the emancipation of the Iranian Baha'i community.

SENATE RESOLUTION 117

At the request of Mr. ROTH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Resolution 117, a resolution expressing the sense of the Senate that the current Federal income tax deduction for interest paid on debt secured by a first or second home located in the United States should not be further restricted.

AMENDMENT NO. 3981

At the request of Mr. DODD, his name was added as a cosponsor of amendment No. 3981 proposed to S.Con.Res. 57, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

At the request of Mr. EXON, his name was added as a cosponsor of amendment No. 3981 proposed to S.Con.Res. 57, supra.

At the request of Mr. KERRY, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of amendment No. 3981 proposed to S.Con.Res. 57, supra.

At the request of Mr. MCCAIN his name was withdrawn as a cosponsor of amendment No. 3981 proposed to S.Con.Res. 57, supra.

AMENDMENT NO. 3991

At the request of Mr. KERRY, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of amendment No. 3991 proposed to S.Con.Res. 57, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

AMENDMENT NO. 4006

At the request of Mrs. HUTCHISON, the names of the Senator from North Carolina [Mr. HELMS], the Senator from Washington [Mrs. MURRAY], and the Senator from Illinois [Ms. MOSELEY-BRAUN] were added as cosponsors of amendment No. 4006 proposed to S.Con.Res. 57, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

AMENDMENTS SUBMITTED

THE CONGRESSIONAL BUDGET CONCURRENT RESOLUTION

ASHCROFT AMENDMENT NO. 4008

Mr. ASHCROFT proposed an amendment to the concurrent resolution (S. Con. Res. 57) setting forth the congressional budget for the U.S. Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002; as follows:

On page 3, line 5, decrease the amount by $29,900,000,000.
On page 3, line 6, decrease the amount by $44,400,000,000.
On page 3, line 7, decrease the amount by $46,700,000,000.
On page 3, line 8, decrease the amount by $49,100,000,000.
On page 3, line 9, decrease the amount by $51,700,000,000.
On page 3, line 10, decrease the amount by $54,300,000,000.
On page 3, line 14, decrease the amount by $29,900,000,000.
On page 3, line 15, decrease the amount by $44,400,000,000.
On page 3, line 16, decrease the amount by $46,700,000,000.
On page 3, line 17, decrease the amount by $49,100,000,000.
On page 3, line 18, decrease the amount by $51,700,000,000.
On page 3, line 19, decrease the amount by $54,300,000,000.
On page 4, line 8, decrease the amount by $34,577,000,000.
On page 4, line 9, decrease the amount by $47,622,000,000.
On page 4, line 10, decrease the amount by $48,997,000,000.
On page 4, line 11, decrease the amount by $51,903,000,000.
On page 4, line 12, decrease the amount by $53,474,000,000.
On page 4, line 13, decrease the amount by $55,439,000,000.
On page 4, line 17, decrease the amount by $29,900,000,000.
On page 4, line 18, decrease the amount by $44,400,000,000.
On page 4, line 19, decrease the amount by $46,700,000,000.
On page 4, line 20, decrease the amount by $49,100,000,000.
On page 4, line 21, decrease the amount by $51,700,000,000.
On page 4, line 22, decrease the amount by $54,300,000,000.
On page 9, line 20, decrease the amount by $1,209,000,000.
On page 9, line 22, decrease the amount by $1,156,000,000.
On page 10, line 4, decrease the amount by $2,298,000,000.
On page 10, line 6, decrease the amount by $1,412,000,000.
On page 10, line 12, decrease the amount by $2,684,000,000.
On page 10, line 14, decrease the amount by $1,865,000,000.
On page 10, line 20, decrease the amount by $2,821,000,000.
On page 10, line 22, decrease the amount by $2,278,000,000.
On page 11, line 4, decrease the amount by $2,927,000,000.
On page 11, line 6, decrease the amount by $2,560,000,000.
On page 11, line 12, decrease the amount by $2,964,000,000.
On page 11, line 14, decrease the amount by $2,735,000,000.
On page 11, line 21, decrease the amount by $2,449,000,000.
On page 11, line 23, decrease the amount by $1,520,000,000.
On page 12, line 4, decrease the amount by $2,525,000,000.
On page 12, line 6, decrease the amount by $2,346,000,000.
On page 12, line 11, decrease the amount by $2,686,000,000.
On page 12, line 13, decrease the amount by $2,693,000,000.
On page 12, line 18, decrease the amount by $2,909,000,000.
On page 12, line 20, decrease the amount by $2,882,000,000.
On page 13, line 1, decrease the amount by $3,209,000,000.
On page 13, line 3, decrease the amount by $3,131,000,000.
On page 13, line 8, decrease the amount by $3,619,000,000.
On page 13, line 10, decrease the amount by $3,474,000,000.
On page 13, line 16, decrease the amount by $875,000,000.
On page 13, line 18, decrease the amount by $131,000,000.
On page 13, line 24, decrease the amount by $783,000,000.
On page 14, line 1, decrease the amount by $446,000,000.
On page 14, line 7, decrease the amount by $933,000,000.
On page 14, line 9, decrease the amount by $740,000,000.
On page 14, line 15, decrease the amount by $1,083,000,000.
On page 14, line 17, decrease the amount by $931,000,000.
On page 14, line 23, decrease the amount by $1,183,000,000.
On page 14, line 25, decrease the amount by $1,086,000,000.
On page 15, line 6, decrease the amount by $1,283,000,000.
On page 15, line 8, decrease the amount by $1,225,000,000.
On page 15, line 15, decrease the amount by $359,000,000.
On page 15, line 17, decrease the amount by $241,000,000.
On page 15, line 23, decrease the amount by $449,000,000.
On page 15, line 25, decrease the amount by $349,000,000.
On page 16, line 6, decrease the amount by $506,000,000.
On page 16, line 8, decrease the amount by $462,000,000.
On page 16, line 14, decrease the amount by $574,000,000.
On page 16, line 16, decrease the amount by $545,000,000.
On page 16, line 22, decrease the amount by $574,000,000.
On page 16, line 24, decrease the amount by $582,000,000.
On page 17, line 6, decrease the amount by $574,000,000.
On page 17, line 8, decrease the amount by $588,000,000.
On page 19, line 15, decrease the amount by $1,264,000,000.
On page 19, line 17, decrease the amount by $639,000,000.
On page 19, line 23, decrease the amount by $1,341,000,000.
On page 19, line 25, decrease the amount by $882,000,000.
On page 20, line 6, decrease the amount by $1,339,000,000.
On page 20, line 8, decrease the amount by $1,917,000,000.
On page 20, line 14, increase the amount by $1,339,000,000.
On page 20, line 16, decrease the amount by $1,382,000,000.
On page 20, line 22, decrease the amount by $1,687,000,000.
On page 20, line 24, decrease the amount by $1,409,000,000.
On page 21, line 6, decrease the amount by $1,687,000,000.
On page 21, line 8, decrease the amount by $1,484,000,000.
On page 21, line 15, decrease the amount by $104,000,000.
On page 21, line 17, decrease the amount by $58,000,000.
On page 21, line 23, decrease the amount by $110,000,000.
On page 21, line 25, decrease the amount by $215,000,000.
On page 22, line 6, decrease the amount by $110,000,000.
On page 22, line 8, decrease the amount by $276,000,000.
On page 22, line 14, decrease the amount by $110,000,000.
On page 22, line 16, decrease the amount by $297,000,000.
On page 22, line 22, decrease the amount by $110,000,000.
On page 22, line 24, decrease the amount by $306,000,000.
On page 23, line 6, decrease the amount by $110,000,000.
On page 23, line 7, decrease the amount by $312,000,000.
On page 25, line 16, decrease the amount by $5,938,000,000.
On page 25, line 18, decrease the amount by $4,436,000,000.
On page 25, line 24, decrease the amount by $6,127,000,000.
On page 26, line 1, decrease the amount by $5,670,000,000.
On page 26, line 7, decrease the amount by $6,188,000,000.
On page 26, line 9, decrease the amount by $6,015,000,000.
On page 26, line 15, decrease the amount by $6,199,000,000.
On page 26, line 17, decrease the amount by $6,122,000,000.
On page 26, line 23, decrease the amount by $6,208,000,000.
On page 26, line 25, decrease the amount by $6,190,000,000.
On page 27, line 6, decrease the amount by $6,211,000,000.
On page 27, line 8, decrease the amount by $6,204,000,000.
On page 31, line 2, decrease the amount by $7,705,000,000.
On page 31, line 4, decrease the amount by $7,705,000,000.
On page 31, line 9, decrease the amount by $9,502,000,000.
On page 31, line 11, decrease the amount by $9,502,000,000.
On page 31, line 16, decrease the amount by $11,391,000,000.
On page 31, line 18, decrease the amount by $11,391,000,000.
On page 31, line 23, decrease the amount by $13,427,000,000.
On page 31, line 25, decrease the amount by $13,427,000,000.

On page 32, line 5, decrease the amount by $16,161,500,000.
On page 32, line 7, decrease the amount by $16,161,500,000.
On page 32, line 12, decrease the amount by $16,161,500,000.
On page 32, line 14, decrease the amount by $16,161,500,000.
On page 38, line 6, decrease the amount by $545,000,000.
On page 38, line 8, decrease the amount by $16,000,000.
On page 38, line 13, decrease the amount by $545,000,000.
On page 38, line 15, decrease the amount by $71,000,000.
On page 38, line 20, decrease the amount by $545,000,000.
On page 38, line 22, decrease the amount by $186,000,000.
On page 39, line 2, decrease the amount by $545,000,000.
On page 39, line 4, decrease the amount by $354,000,000.
On page 39, line 9, decrease the amount by $545,000,000.
On page 39, line 11, decrease the amount by $491,000,000.
On page 39, line 18, decrease the amount by $512,000,000.
On page 42, line 1, decrease the amount by $13,998,000,000.
On page 42, line 3, decrease the amount by $13,998,000,000.
On page 42, line 8, decrease the amount by $23,505,000,000.
On page 42, line 9, decrease the amount by $23,505,000,000.
On page 42, line 14, decrease the amount by $21,875,000,000.
On page 42, line 16, decrease the amount by $21,875,000,000.
On page 42, line 21, decrease the amount by $20,882,000,000.
On page 42, line 23, decrease the amount by $20,882,000,000.
On page 43, line 4, decrease the amount by $19,783,000,000.
On page 43, line 6, decrease the amount by $19,783,000,000.
On page 43, line 11, decrease the amount by $21,604,500,000.
On page 43, line 13, decrease the amount by $21,604,500,000.
On page 51, line 13, increase the amount by $54,300,000,000.
On page 51, line 14, increase the amount by $276,100,000,000.
On page 51, line 15, increase the amount by $7,924,000,000.
On page 51, line 16, increase the amount by $75,738,000,000.
On page 52, line 14, decrease the amount by $26,872,000,000.
On page 52, line 15, decrease the amount by $22,000,000.
On page 52, line 21, decrease the amount by $38,120,000,000.
On page 52, line 22, decrease the amount by $34,898,000.
On page 52, line 24, decrease the amount by $37,606,000,000.
On page 52, line 25, decrease the amount by $35,309,000,000.
On page 53, line 2, decrease the amount by $38,476,000,000.
On page 53, line 3, decrease the amount by $35,673,000,000.
On page 53, line 5, decrease the amount by $37,277,500,000.
On page 53, line 6, decrease the amount by $35,538,500,000.
On page 53, line 8, decrease the amount by $39,277,500,000.
On page 53, line 9, decrease the amount by $38,138,500,000.

GRAMM AMENDMENT NO. 4009

Mr. GRAMM proposed an amendment to the concurrent resolution (S. Con. Res. 57) supra; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE CONGRESS THAT THE 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS SHOULD BE REPEALED.

(a) FINDINGS.—Congress finds that the assumptions underlying this resolution include that—

(1) the Fiscal Year 1994 budget proposal of President Clinton to raise federal income taxes on the Social Security benefits of senior citizens with income as low as $25,000, and those provisions of the Fiscal Year 1994 recommendations of the Budget Resolution and the 1993 Omnibus Budget Reconciliation Act in which the 103rd Congress voted to raise federal income taxes on the Social Security benefits of senior citizens with income as low as $34,000 should be repealed;

(2) that the Senate Budget Resolution should reflect President Clinton's statement that he believed he raised federal taxes too much in 1993; and

(3) That the Budget Resolution should react to President Clinton's Fiscal Year 1997 budget which documents the fact that in the history of the United States, the total tax burden has never been greater than it is today, therefore

It is the Sense of the Congress that the assumptions underlying this Resolution include—

(1) that raising federal income taxes in 1993 on the Social Security benefits of middle-class individuals with income as low as $34,000 was a mistake;

(2) that the federal income tax hike on Social Security benefits imposed in 1993 by the 103rd Congress and signed into law by President Clinton should be repealed; and

(3) President Clinton should work with the Congress to repeal the 1993 federal income tax hike on Social Security benefits in a manner that would not adversely affect the Social Security Trust Fund or the Medicare Part A Trust Fund, and should ensure that such repeal is coupled with offsetting reductions in federal spending.

BROWN AMENDMENT NO. 4010

Mr. BROWN proposed an amendment to the concurrent resolution

(S. Con. Res. 57) supra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING CAPPING FEDERAL RETIREMENT COLAS.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that there should be a COLA for only that portion of individual civilian and military pension levels that do not exceed $75,000 per year.

HARKIN (AND OTHERS) AMENDMENT NO. 4011

Mr. HARKIN (for himself, Mr. BIDEN, Mr. BRYAN, Mr. DORGAN) proposed an amendment to the concurrent resolution (S. Con. Res. 57) supra; as follows:

On page 46, line 12, decrease the amount by $72,000,000,000.
On page 49, line 17, increase the amount by $1,900,000,000.
On page 49, line 18, increase the amount by $72,000,000,000.

SPECTER (AND OTHERS) AMENDMENT NO. 4012

Mr. HARKIN (for Mr. SPECTER, for himself, Mr. HARKIN, Mr. HATFIELD, Mr. JEFFORDS, Mr. PELL, and Mr. KOHL) proposed an amendment to the concurrent resolution (S. Con. Res. 57) supra; as follows:

On page 25, line 17, increase the amount by $1,200,000,000.
On page 25, line 18, increase the amount by $1,200,000,000.
On page 27, line 16, increase the amount by $1,500,000,000.
On page 27, line 17, increase the amount by $1,500,000,000.
On page 42, line 2, decrease the amount by $2,700,000,000.
On page 42, line 3, decrease the amount by $2,700,000,000.
On page 52, line 11, decrease the amount by $1,400,000,000.
On page 52, line 12, decrease the amount by $1,400,000,000.
On page 52, line 14, increase the amount by $1,400,000,000.
On page 52, line 15, increase the amount by $1,400,000,000.

BUMPERS (AND OTHERS) AMENDMENT NO. 4013

Mr. BUMPERS (for himself, Mr. BRADLEY, and Mrs. MURRAY) proposed an amendment to Senate Concurrent Resolution 57, supra; as follows:

Add the following new section at the end of Title II.

SEC. . SALE OF GOVERNMENT ASSETS.

(a) BUDGETARY TREATMENT.—For purposes of any concurrent resolution on the budget and the Congressional Budget Act of 1974, no amounts realized from sales of assets shall be scored with respect to the level of budget authority, outlays, or revenues.

(b) DEFINITIONS.—For purposes of this section, the term ''sale of an asset'' shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) TREATMENT OF LOAN ASSETS.—For purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

BUMPERS (AND OTHERS) AMENDMENT NO. 4014

Mr. BUMPERS (for himself, Mr. SIMON, and Mr. KOHL) proposed an amendment to Senate Concurrent Resolution 57, supra; as follows:

Strike line 9 on page 52 through line 22 on page 53 and insert the following:

''(1) With respect to fiscal year 1997, for the discretionary category $489,207,000,000 in new budget authority and $531,365,000,000 in outlays;

''(2) with respect to fiscal year 1998, for the discretionary category $489,153,000,000 in new budget authority and $521,660,000,000 in outlays;

''(3) with respect to fiscal year 1999, for the discretionary category $493,221,000,000 in new budget authority and $525,742,000,000 in outlays;

''(4) with respect to fiscal year 2000, for the discretionary category $500,037,000,000 in new budget authority and $525,071,000,000 in outlays;

''(5) with respect to fiscal year 2001, for the discretionary category $492,468,000,000 in new budget authority and $517,708,000,000 in outlays; and

''(6) with respect to fiscal year 2002, for the discretionary category $501,177,000,000 in new budget authority and $515,979,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

''(b) POINT OF ORDER IN THE SENATE.—

''(1) IN GENERAL—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

''(A) a revision of this resolution or any concurrent resolution on the budget for fiscal year 1998 (or amendment, motion, or conference report on such resolution) that provides discretionary spending in excess of the spending limit for such fiscal year;''.

MURKOWSKI AMENDMENT NO. 4015

Mr. MURKOWSKI proposed an amendment to Senate Concurrent Resolution 57, supra; as follows:

At the end of title III, insert the following:

SEC. . AMENDMENT PROHIBITING SENSE OF THE SENATE AMENDMENTS ON THE BUDGET RESOLUTION.

Section 305(b)(2) of the Congressional Budget Act of 1974 is amended by inserting after the second sentence the following: ''For purposes of the preceding sentence, an amendment is not germane if it states purely precatory language.''.

KERREY (AND OTHERS) AMENDMENT NO. 4016

Mr. SIMPSON (for Mr. KERREY, for himself, Mr. BROWN, Mr. NUNN, Mr. ROBB, and Mr. SIMPSON) proposed an amendment to Senate Concurrent Resolution 57, supra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE SUPPORTING LONG TERM ENTITLEMENT REFORMS.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that—

(1) effective January 1, 1997—

(A) the age for eligibility for civil service retirement should be increased to—

(i) 60 years with 30 years of service;

(ii) 62 years with 25 years of service; and

(iii) 65 years with 5 years of service; and

(B) this proposal should not apply to anyone currently or previously employed by the Federal Government as of January 1, 1997;

(2) effective January 1, 1997—

(A) the age for eligibility for military retirement benefits for active duty personnel should be increased to 50 years of age with benefits reductions for personnel retiring before 50; and

(B) this proposal should not apply to anyone currently or previously serving in the United States military as of January 1, 1997;

(3) effective January 1, 2000, the age at which a person is eligible for medicare should be gradually adjusted to correspond with the age a person is eligible for normal social security retirement;

(4) there should be a COLA for only that portion of individual civilian and military pension levels that do not exceed $50,000 per year;

(5) the eligibility age for social security retirement should be gradually adjusted to 70 years by the year 2030 in 2 month increments;

(6) workers should be allowed to divert 2 percent of their total payroll tax into their own personal investment plan as long as there is no effect on the solvency of the social security program;

(7) the consumer price index should be reduced by .5 percentage points so as to more accurately depict the cost of living.

SNOWE AMENDMENT NO. 4017

Ms. SNOWE proposed an amendment to the concurrent resolution, (S. Con. Res. 57) supra; as follows:

(a) FINDINGS.—The Senate finds that—

(1) over the last 60 years, education and advancements in knowledge have accounted for 37% of our nation's economic growth.

(2) a college degree significantly increases job stability, resulting in an unemployment rate among college graduates less than half that of those with high school diplomas.

(3) a person with a bachelor's degree will average 50–55% more in lifetime earnings than a person with a high school diploma.

(4) education is a key to providing alternatives to crime and violence, and is a cost effective strategy for breaking cycles of poverty and moving welfare recipients to work.

(5) a highly educated populace is necessary to the effective functioning of democracy and to a growing economy, and the opportunity to gain a college education helps advance the American ideals of progress and social equality.

(6) a highly educated and flexible work force is an essential component of economic growth and competitiveness.

(7) for many families, federal student aid programs make the difference in the ability of students to attend college.

(8) in 1994, nearly 6 million postsecondary students received some kind of financial assistance to help them pay for the costs of schooling.

(9) since 1988, college costs have risen by 54%, and student borrowing has increased by 219%.

(10) in fiscal year 1996, the Balanced Budget Act achieved savings without reducing student loan limits or increasing fees to students or parents.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the aggregates and functional levels included in this budget resolution assume that savings in student loans can be achieved without any program change that would increase costs to students and parents or decrease accessibility to student loans.

CHAFEE (AND OTHERS) AMENDMENT NO. 4018

Mr. CHAFEE (for himself, Mr. BREAUX, Mr. BENNETT, Mr. BROWN, Mr. BRYAN, Mr. COHEN, Mr. CONRAD, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. GORTON, Mr. JEFFORDS, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KERREY, Mr. KOHL, Mr. LIEBERMAN, Mr. NUNN, Mr. ROBB, Mr. SIMPSON, Mr. SPECTER, and Ms. SNOWE) proposed an amendment to the concurrent resolution (S. Con. Res. 57) supra; as follows:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997.

(a) DECLARATION.—The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1997, including the appropriate budgetary levels for fiscal years 1998, 1999, 2000, and 2001, as required by section 301 of the Congressional Budget Act of 1974, and including the appropriate levels for fiscal years 2002 and 2003.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 1997.

TITLE I—LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.
Sec. 102. Debt increase.
Sec. 103. Social Security.
Sec. 104. Major functional categories.
Sec. 105. Reconciliation.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

Sec. 201. Discretionary spending limits.
Sec. 202. Extension of pay-as-you-go point of order.
Sec. 203. Extension of Budget Act 60-vote enforcement through 2003.
Sec. 204. Exercise of rulemaking powers.

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1997, 1998, 1999, 2000, 2001, 2002, and 2003.

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution—

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1997: $1,102,024,000,000.
Fiscal year 1998: $1,137,959,000,000.
Fiscal year 1999: $1,187,377,000,000.
Fiscal year 2000: $1,240,683,000,000.
Fiscal year 2001: $1,301,677,000,000.
Fiscal year 2002: $1,367,474,000,000.
Fiscal year 2003: $1,440,146,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1997: $1,673,000,000.
Fiscal year 1998: $10,584,000,000.
Fiscal year 1999: $10,973,000,000.
Fiscal year 2000: $11,107,000,000.
Fiscal year 2001: $9,408,000,000.
Fiscal year 2002: $6,409,000,000.
Fiscal year 2003: $4,538,000,000.

(C) The amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1997: $108,053,000,000.
Fiscal year 1998: $113,226,000,000.
Fiscal year 1999: $119,361,000,000.
Fiscal year 2000: $123,737,000,000.
Fiscal year 2001: $131,641,000,000.
Fiscal year 2002: $138,131,000,000.
Fiscal year 2003: $144,751,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1997: $1,331,090,000,000.
Fiscal year 1998: $1,386,158,000,000.
Fiscal year 1999: $1,425,607,000,000.
Fiscal year 2000: $1,474,347,000,000.
Fiscal year 2001: $1,504,321,000,000.
Fiscal year 2002: $1,560,114,000,000.
Fiscal year 2003: $1,558,776,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1997: $1,323,553,000,000.
Fiscal year 1998: $1,371,741,000,000.
Fiscal year 1999: $1,412,516,000,000.
Fiscal year 2000: $1,454,275,000,000.
Fiscal year 2001: $1,483,049,000,000.
Fiscal year 2002: $1,529,473,000,000.
Fiscal year 2003: $1,560,936,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1997: $221,529,000,000.
Fiscal year 1998: $233,782,000,000.
Fiscal year 1999: $225,139,000,000.
Fiscal year 2000: $213,592,000,000.
Fiscal year 2001: $181,372,000,000.
Fiscal year 2002: $161,999,000,000.
Fiscal year 2003: $120,790,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1997: $5,426,700,000,000.
Fiscal year 1998: $5,702,700,000,000.
Fiscal year 1999: $5,964,100,000,000.
Fiscal year 2000: $6,212,100,000,000.
Fiscal year 2001: $6,424,500,000,000.
Fiscal year 2002: $6,609,400,000,000.
Fiscal year 2003: $6,752,000,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1997: $41,344,000,000.
Fiscal year 1998: $39,164,000,000.
Fiscal year 1999: $41,995,000,000.
Fiscal year 2000: $43,123,000,000.
Fiscal year 2001: $44,272,000,000.
Fiscal year 2002: $45,445,000,000.
Fiscal year 2003: $46,709,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1997: $266,271,000,000.
Fiscal year 1998: $264,761,000,000.
Fiscal year 1999: $262,793,000,000.
Fiscal year 2000: $262,676,000,000.
Fiscal year 2001: $262,429,000,000.
Fiscal year 2002: $262,131,000,000.
Fiscal year 2003: $261,992,000,000.

SEC. 102. DEBT INCREASE.

The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1997: $271,600,000,000.
Fiscal year 1998: $276,000,000,000.
Fiscal year 1999: $261,500,000,000.
Fiscal year 2000: $248,000,000,000.
Fiscal year 2001: $212,400,000,000.
Fiscal year 2002: $184,900,000,000.
Fiscal year 2003: $142,600,000,000.

SEC. 103. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302, 602, and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1997: $384,900,000,000.
Fiscal year 1998: $401,900,000,000.
Fiscal year 1999: $422,800,000,000.
Fiscal year 2000: $444,200,000,000.
Fiscal year 2001: $463,900,000,000.
Fiscal year 2002: $485,700,000,000.
Fiscal year 2003: $507,900,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302, 602, and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1997: $309,065,000,000.
Fiscal year 1998: $319,762,000,000.
Fiscal year 1999: $330,655,000,000.
Fiscal year 2000: $341,923,000,000.
Fiscal year 2001: $354,367,000,000.
Fiscal year 2002: $367,071,000,000.
Fiscal year 2003: $380,171,000,000.

SEC. 104. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1997 through 2003 for each major functional category are:

(1) National Defense (050):

Fiscal year 1997:
(A) New budget authority, $265,662,000,000.
(B) Outlays, $263,825,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $800,000,000.

Fiscal year 1998:
(A) New budget authority, $267,137,000,000.
(B) Outlays, $262,197,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $200,000,000.

Fiscal year 1999:
(A) New budget authority, $269,576,000,000.
(B) Outlays, $265,220,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $192,000,000.

Fiscal year 2000:
(A) New budget authority, $271,893,000,000.
(B) Outlays, $268,684,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $187,000,000.

Fiscal year 2001:
(A) New budget authority, $274,355,000,000.
(B) Outlays, $267,647,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $185,000,000.

Fiscal year 2002:
(A) New budget authority, $277,028,000,000.
(B) Outlays, $267,420,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $183,000,000.

Fiscal year 2003:
(A) New budget authority, $277,044,000,000.
(B) Outlays, $267,436,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $178,000,000.

(2) International Affairs (150):

Fiscal year 1997:
(A) New budget authority, $14,177,000,000.
(B) Outlays, $14,908,000,000.
(C) New direct loan obligations, $4,333,000,000.
(D) New primary loan guarantee commitments, $18,110,000,000.

Fiscal year 1998:
(A) New budget authority, $14,211,000,000.
(B) Outlays, $14,440,000,000.
(C) New direct loan obligations, $4,342,000,000.
(D) New primary loan guarantee commitments, $18,262,000,000.

Fiscal year 1999:
(A) New budget authority, $14,336,000,000.
(B) Outlays, $14,570,000,000.
(C) New direct loan obligations, $4,358,000,000.
(D) New primary loan guarantee commitments, $18,311,000,000.

Fiscal year 2000:
(A) New budget authority, $15,515,000,000.
(B) Outlays, $14,168,000,000.
(C) New direct loan obligations, $4,346,000,000.
(D) New primary loan guarantee commitments, $18,311,000,000.

Fiscal year 2001:
(A) New budget authority, $15,630,000,000.
(B) Outlays, $14,356,000,000.
(C) New direct loan obligations, $4,395,000,000.
(D) New primary loan guarantee commitments, $18,409,000,000.

Fiscal year 2002:
(A) New budget authority, $15,910,000,000.
(B) Outlays, $14,538,000,000.
(C) New direct loan obligations, $4,387,000,000.
(D) New primary loan guarantee commitments, $18,409,000,000.

Fiscal year 2003:
(A) New budget authority, $16,283,000,000.
(B) Outlays, $14,706,000,000.
(C) New direct loan obligations, $4,395,000,000.
(D) New primary loan guarantee commitments, $18,408,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1997:
(A) New budget authority, $16,677,000,000.
(B) Outlays, $16,821,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $16,678,000,000.
(B) Outlays, $16,711,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $16,680,000,000.
(B) Outlays, $16,617,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, $16,681,000,000.
(B) Outlays, $16,660,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:
(A) New budget authority, $16,682,000,000.
(B) Outlays, $16,682,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, $16,683,000,000.
(B) Outlays, $16,683,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2003:
(A) New budget authority, $16,684,000,000.
(B) Outlays, $16,684,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1997:
(A) New budget authority, $3,238,000,000.
(B) Outlays, $2,599,000,000.
(C) New direct loan obligations, $1,033,000,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $3,612,000,000.
(B) Outlays, $2,655,000,000.
(C) New direct loan obligations, $1,039,000,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $3,506,000,000.
(B) Outlays, $2,466,000,000.
(C) New direct loan obligations, $1,045,000,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, $3,449,000,000.
(B) Outlays, $2,318,000,000.
(C) New direct loan obligations, $1,036,000,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:
(A) New budget authority, $3,620,000,000.
(B) Outlays, $2,462,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, $3,345,000,000.
(B) Outlays, $2,097,000,000.
(C) New direct loan obligations, $1,031,000,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2003:
(A) New budget authority, $3,353,000,000.
(B) Outlays, $866,049,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,049,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1997:
(A) New budget authority, $20,263,000,000.
(B) Outlays, $21,699,000,000.
(C) New direct loan obligations, $37,000,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $20,354,000,000.

(B) Outlays, $21,448,000,000.
(C) New direct loan obligations, $41,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $20,698,000,000.
(B) Outlays, $21,451,000,000.
(C) New direct loan obligations, $38,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $20,677,000,000.
(B) Outlays, $21,144,000,000.
(C) New direct loan obligations, $38,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $20,655,000,000.
(B) Outlays, $20,823,000,000.
(C) New direct loan obligations, $38,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $20,648,000,000.
(B) Outlays, $20,692,000,000.
(C) New direct loan obligations, $38,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2003:
(A) New budget authority, $20,562,000,000.
(B) Outlays, $20,634,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $38,000,000.
(6) Agriculture (350):
Fiscal year 1997:
(A) New budget authority, $12,811,000,000.
(B) Outlays, $10,985,000,000.
(C) New direct loan obligations, $7,795,000,000.
(D) New primary loan guarantee commitments, $5,870,000,000.
Fiscal year 1998:
(A) New budget authority, $12,818,000,000.
(B) Outlays, $10,832,000,000.
(C) New direct loan obligations, $9,346,000,000.
(D) New primary loan guarantee commitments, $6,637,000,000.
Fiscal year 1999:
(A) New budget authority, $12,630,000,000.
(B) Outlays, $10,669,000,000.
(C) New direct loan obligations, $10,743,000,000.
(D) New primary loan guarantee commitments, $6,586,000,000.
Fiscal year 2000:
(A) New budget authority, $12,082,000,000.
(B) Outlays, $10,167,000,000.
(C) New direct loan obligations, $10,736,000,000.
(D) New primary loan guarantee commitments, $6,652,000,000.
Fiscal year 2001:
(A) New budget authority, $11,038,000,000.
(B) Outlays, $9,222,000,000.
(C) New direct loan obligations, $10,595,000,000.
(D) New primary loan guarantee commitments, $6,641,000,000.
Fiscal year 2002:
(A) New budget authority, $10,795,000,000.
(B) Outlays, $8,957,000,000.
(C) New direct loan obligations, $10,570,000,000.
(D) New primary loan guarantee commitments, $6,709,000,000.
Fiscal year 2003:
(A) New budget authority, $11,138,000,000.
(B) Outlays, $9,265,000,000.
(C) New direct loan obligations, $10,545,000,000.
(D) New primary loan guarantee commitments, $6,700,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1997:
(A) New budget authority, $8,350,000,000.
(B) Outlays, $1,226,000,000.
(C) New direct loan obligations, $1,856,000,000.
(D) New primary loan guarantee commitments, $197,340,000,000.
Fiscal year 1998:
(A) New budget authority, $10,222,000,000.
(B) Outlays, $5,700,000,000.
(C) New direct loan obligations, $1,787,000,000.
(D) New primary loan guarantee commitments, $196,750,000,000.
Fiscal year 1999:
(A) New budget authority, $9,710,000,000.
(B) Outlays, $4,792,000,000.
(C) New direct loan obligations, $1,763,000,000.
(D) New primary loan guarantee commitments, $196,253,000,000.
Fiscal year 2000:
(A) New budget authority, $9,513,000,000.
(B) Outlays, $4,056,000,000.
(C) New direct loan obligations, $1,759,000,000.
(D) New primary loan guarantee commitments, $195,883,000,000.
Fiscal year 2001:
(A) New budget authority, $7,918,000,000.
(B) Outlays, $2,832,000,000.
(C) New direct loan obligations, $1,745,000,000.
(D) New primary loan guarantee commitments, $195,375,000,000.
Fiscal year 2002:
(A) New budget authority, $7,152,000,000.
(B) Outlays, $2,662,000,000.
(C) New direct loan obligations, $1,740,000,000.
(D) New primary loan guarantee commitments, $194,875,000,000.
Fiscal year 2003:
(A) New budget authority, $9,090,000,000.
(B) Outlays, $4,883,000,000.
(C) New direct loan obligations, $1,736,000,000.
(D) New primary loan guarantee commitments, $194,625,000,000.
(8) Transportation (400):
Fiscal year 1997:
(A) New budget authority, $43,677,000,000.
(B) Outlays, $39,326,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $44,664,000,000.
(B) Outlays, $38,864,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $45,217,000,000.
(B) Outlays, $38,402,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $45,913,000,000.
(B) Outlays, $37,879,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $46,627,000,000.
(B) Outlays, $37,717,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $47,355,000,000.
(B) Outlays, $37,674,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2003:
(A) New budget authority, $48,103,000,000.
(B) Outlays, $37,631,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1997:
(A) New budget authority, $11,658,000,000.
(B) Outlays, $11,122,000,000.
(C) New direct loan obligations, $1,222,000,000.
(D) New primary loan guarantee commitments, $2,133,000,000.
Fiscal year 1998:
(A) New budget authority, $11,653,000,000.
(B) Outlays, $11,207,000,000.
(C) New direct loan obligations, $1,242,000,000.
(D) New primary loan guarantee commitments, $2,133,000,000.
Fiscal year 1999:
(A) New budget authority, $11,641,000,000.
(B) Outlays, $11,532,000,000.
(C) New direct loan obligations, $1,265,000,000.
(D) New primary loan guarantee commitments, $2,171,000,000.
Fiscal year 2000:
(A) New budget authority, $11,706,000,000.
(B) Outlays, $11,608,000,000.
(C) New direct loan obligations, $1,288,000,000.
(D) New primary loan guarantee commitments, $2,171,000,000.
Fiscal year 2001:
(A) New budget authority, $11,695,000,000.
(B) Outlays, $11,632,000,000.
(C) New direct loan obligations, $1,317,000,000.
(D) New primary loan guarantee commitments, $2,202,000,000.
Fiscal year 2002:
(A) New budget authority, $11,583,000,000.
(B) Outlays, $11,535,000,000.
(C) New direct loan obligations, $1,343,000,000.
(D) New primary loan guarantee commitments, $2,202,000,000.
Fiscal year 2003:
(A) New budget authority, $11,387,000,000.
(B) Outlays, $11,346,000,000.
(C) New direct loan obligations, $1,372,000,000.
(D) New primary loan guarantee commitments, $2,20251,654,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1997:
(A) New budget authority, $51,654,000,000.
(B) Outlays, $50,831,000,000.
(C) New direct loan obligations, $16,219,000,000.
(D) New primary loan guarantee commitments, $15,469,000,000.
Fiscal year 1998:
(A) New budget authority, $52,148,000,000.
(B) Outlays, $51,522,000,000.
(C) New direct loan obligations, $19,040,000,000.
(D) New primary loan guarantee commitments, $14,760,000,000.
Fiscal year 1999:
(A) New budget authority, $53,654,000,000.
(B) Outlays, $52,702,000,000.
(C) New direct loan obligations, $21,781,000,000.
(D) New primary loan guarantee commitments, $13,854,000,000.
Fiscal year 2000:
(A) New budget authority, $54,971,000,000.
(B) Outlays, $53,980,000,000.
(C) New direct loan obligations, $22,884,000,000.
(D) New primary loan guarantee commitments, $14,589,000,000.
Fiscal year 2001:
(A) New budget authority, $56,073,000,000.
(B) Outlays, $55,198,000,000.
(C) New direct loan obligations, $23,978,000,000.

(D) New primary loan guarantee commitments, $15,319,000,000.
Fiscal year 2002:
(A) New budget authority, $57,066,000,000.
(B) Outlays, $56,199,000,000.
(C) New direct loan obligations, $25,127,000,000.
(D) New primary loan guarantee commitments, $16,085,000,000.
Fiscal year 2003:
(A) New budget authority, $57,854,000,000.
(B) Outlays, $57,122,000,000.
(C) New direct loan obligations, $26,334,000,000.
(D) New primary loan guarantee commitments, $16,889,000,000.
(11) Health (550):
Fiscal year 1997:
(A) New budget authority, $132,575,000,000.
(B) Outlays, $132,619,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $87,000,000.
Fiscal year 1998:
(A) New budget authority, $14,094,000,000.
(B) Outlays, $141,225,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $94,000,000.
Fiscal year 1999:
(A) New budget authority, $149,305,000,000.
(B) Outlays, $149,371,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $158,583,000,000.
(B) Outlays, $158,434,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $169,315,000,000.
(B) Outlays, $168,920,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $180,647,000,000.
(B) Outlays, $180,119,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2003:
(A) New budget authority, $191,600,000,000.
(B) Outlays, $191,011,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1997:
(A) New budget authority, $196,384,000,000.
(B) Outlays, $194,707,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $208,920,000,000.
(B) Outlays, $207,195,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $223,488,000.
(B) Outlays, $221,216,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $238,932,000.
(B) Outlays, $237,183,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $256,200,000,000.
(B) Outlays, $254,466,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $274,740,000,000.
(B) Outlays, $274,339,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2003:
(A) New budget authority, $284,607,000,000.
(B) Outlays, $282,585,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1997:
(A) New budget authority, $234,147,000,000.
(B) Outlays, $241,629,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $245,991,000,000.
(B) Outlays, $248,391,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $251,196,000,000.
(B) Outlays, $257,201,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $269,466,000,000.
(B) Outlays, $268,742,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $267,135,000,000.
(B) Outlays, $271,162,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $286,030,000,000.
(B) Outlays, $283,464,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2003:
(A) New budget authority, $290,194,000,000.
(B) Outlays, $293,063,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1997:
(A) New budget authority, $7,812,000,000.
(B) Outlays, $10,543,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $8,476,000,000.
(B) Outlays, $11,213,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,219,000,000.
(B) Outlays, $11,922,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $9,979,000,000.
(B) Outlays, $12,662,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $10,775,000,000.
(B) Outlays, $13,458,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $11,607,000,000.
(B) Outlays, $14,290,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2003:
(A) New budget authority, $12,511,000,000.
(B) Outlays, $15,194,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1997:
(A) New budget authority, $38,364,000,000.
(B) Outlays, $39,464,000,000.
(C) New direct loan obligations, $935,000,000.
(D) New primary loan guarantee commitments, $26,362,000,000.
Fiscal year 1998:
(A) New budget authority, $38,568,000,000.
(B) Outlays, $38,899,000,000.
(C) New direct loan obligations, $962,000,000.
(D) New primary loan guarantee commitments, $25,925,000,000.
Fiscal year 1999:
(A) New budget authority, $39,025,000,000.
(B) Outlays, $39,212,000,000.
(C) New direct loan obligations, $987,000,000.
(D) New primary loan guarantee commitments, $25,426,000,000.
Fiscal year 2000:
(A) New budget authority, $39,086,000,000.
(B) Outlays, $40,724,000,000.
(C) New direct loan obligations, $1,021,000,000.
(D) New primary loan guarantee commitments, $24,883,000,000.
Fiscal year 2001:
(A) New budget authority, $39,139,000,000.
(B) Outlays, $38,052,000,000.
(C) New direct loan obligations, $1,189,000,000.
(D) New primary loan guarantee commitments, $24,298,000,000.
Fiscal year 2002:
(A) New budget authority, $39,215,000,000.
(B) Outlays, $39,584,000,000.
(C) New direct loan obligations, $1,194,000,000.
(D) New primary loan guarantee commitments, $23,668,000,000.
Fiscal year 2003:
(A) New budget authority, $39,329,000,000.
(B) Outlays, $39,788,000,000.
(C) New direct loan obligations, $1,225,000,000.
(D) New primary loan guarantee commitments, $22,990,000,000.
(16) Administration of Justice (750):
Fiscal year 1997:
(A) New budget authority, $21,731,000,000.
(B) Outlays, $19,744,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $22,456,000,000.
(B) Outlays, $22,193,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $23,456,000,000.
(B) Outlays, $22,953,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $23,451,000,000.
(B) Outlays, $23,244,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:

(A) New budget authority, $21,872,000,000.
(B) Outlays, $22,989,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $20,348,000,000.
(B) Outlays, $21,459,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2003:
(A) New budget authority, $20,319,000,000.
(B) Outlays, $20,259,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1997:
(A) New budget authority, $13,902,000,000.
(B) Outlays, $13,672,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $13,915,000,000.
(B) Outlays, $13,735,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $13,872,000,000.
(B) Outlays, $13,822,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $13,916,000,000.
(B) Outlays, $14,088,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $13,959,000,000.
(B) Outlays, $13,798,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $14,020,000,000.
(B) Outlays, $13,819,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2003:
(A) New budget authority, $12,565,000,000.
(B) Outlays, $12,308,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1997:
(A) New budget authority, $281,703,000,000.
(B) Outlays, $281,703,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $287,348,000,000.
(B) Outlays, $287,748,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $290,574,000,000.
(B) Outlays, $290,574,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $291,685,000,000.
(B) Outlays, $291,685,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $295,754,000,000.
(B) Outlays, $295,754,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $300,676,000,000.
(B) Outlays, $300,676,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2003:
(A) New budget authority, $305,002,000,000.
(B) Outlays, $305,002,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) The corresponding levels of gross interest on the public debt are as follows:
Fiscal year 1997: $348,855,000,000.
Fiscal year 1998: $355,094,000,000.
Fiscal year 1999: $358,722,000,000.
Fiscal year 2000: $359,900,000,000.
Fiscal year 2001: $365,703,000,000.
Fiscal year 2002: $370,086,000,000.
Fiscal year 2003: $374,581,000,000.
(20) Allowances (920):
Fiscal year 1997:
(A) New budget authority, +$38,000,000.
(B) Outlays, −$137,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, −$31,000,000.
(B) Outlays, +$38,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$0.
(B) Outlays, −$0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, −$1,000,000,000.
(B) Outlays, −$1,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, −$1,000,000,000.
(B) Outlays, −$1,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, −$350,000,000,000.
(B) Outlays, −$350,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2003:
(A) New budget authority, −$3,650,000,000.
(B) Outlays, −$3,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1997:
(A) New budget authority, −$43,733,000,000.
(B) Outlays, −$43,733,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, −$34,073,000,000.
(B) Outlays, −$34,073,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$32,176,000,000.
(B) Outlays, −$32,176,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, −$32,151,000,000.
(B) Outlays, −$32,151,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, −$33,121,000,000.
(B) Outlays, −$33,121,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, −$34,385,000,000.
(B) Outlays, −$34,385,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2003:
(A) New budget authority, −$35,200,000,000.
(B) Outlays, −$35,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

SEC. 105. RECONCILIATION.

(a) RECONCILIATION OF SPENDING REDUCTIONS.—

(1) SENATE COMMITTEES.—Not later than July 12, 1996, the committees named in this subsection shall submit their recommendations to the Committee on the Budget of the Senate. After receiving those recommendations, the Committee on the Budget shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(A) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $1,753,000,000 in fiscal year 1997 and $23,854,000,000 for the period of fiscal years 1997 through 2003.

(B) COMMITTEE ON ARMED SERVICES.—The Senate Committee on Armed Services shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $477,000,000 in fiscal year 1997 and $8,219,000,000 for the period of fiscal years 1997 through 2003.

(C) COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS.—The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $100,000,000 in fiscal year 1997 and $2,225,000,000 for the period of fiscal years 1997 through 2003.

(D) COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION.—The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $43,000,000 in fiscal year 1997 and $20,046,000,000 for the period of fiscal years 1997 through 2003.

(E) COMMITTEE ON ENERGY AND NATURAL RESOURCES.—The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $561,000,000 in fiscal year 1997 and $864,000,000 for the period of fiscal years 1997 through 2003.

(F) COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS.—The Senate Committee on Environment and Public Works shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $12,000,000 in fiscal year 1997 and $1,634,000,000 for the period of fiscal years 1997 through 2003.

(G) COMMITTEE ON FINANCE.—(i) The Senate Committee on Finance shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $5,106,000,000 in fiscal year 1997 and

$314,643,000,000 for the period of fiscal years 1997 through 2003.

(ii) The Committee on Finance shall report changes in laws within its jurisdiction necessary to raise revenues by not more than $1,229,000,000 in fiscal year 1997 and to reduce revenue by not more than $56,297,000,000 for the period of fiscal years 1997 through 2003.

(H) COMMITTEE ON GOVERNMENTAL AFFAIRS.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction to reduce the deficit $1,329,000,000 in fiscal year 1997 and $17,396,000,000 for the period of fiscal years 1997 through 2003.

(I) COMMITTEE ON THE JUDICIARY.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $0 in fiscal year 1997 and $595,000,000 for the period of fiscal years 1997 through 2003.

(J) COMMITTEE ON LABOR AND HUMAN RESOURCES.—The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $881,000,000 in fiscal year 1997 and $3,356,000,000 for the period of fiscal years 1997 through 2003.

(K) COMMITTEE ON VETERANS' AFFAIRS.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $227,000,000 in fiscal year 1997 and $7,729,000,000 for the period of fiscal years 1997 through 2003.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

SEC. 201. DISCRETIONARY SPENDING LIMITS.

(a) DEFINITION.—As used in this section and for the purposes of allocations made pursuant to section 302(a) or 602(a) of the Congressional Budget Act of 1974, for the discretionary category, the term ''discretionary spending limit'' means—

(1) with respect to fiscal year 1997—

(A) for the defense category $266,362,000,000 in new budget authority and $264,568,000,000 in outlays; and

(B) for the nondefense category $234,170,000,000 in new budget authority and $273,235,000,000 in outlays;

(2) with respect to fiscal year 1998—

(A) for the defense category $267,831,000,000 in new budget authority and $262,962,000,000 in outlays; and

(B) for the nondefense category $240,504,000,000 in new budget authority and $272,314,000,000 in outlays;

(3) with respect to fiscal year 1999, for the discretionary category $509,101,000,000 in new budget authority and $539,681,000,000 in outlays;

(4) with respect to fiscal year 2000, for the discretionary category $518,273,000,000 in new budget authority and $541,913,000,000 in outlays;

(5) with respect to fiscal year 2001, for the discretionary category $516,968,000,000 in new budget authority and $541,400,000,000 in outlays;

(6) with respect to fiscal year 2002, for the discretionary category $527,996,000,000 in new budget authority and $542,702,000,000 in outlays;

(7) with respect to fiscal year 2003, for the discretionary category $519,992,000,000 in new budget authority and $540,119,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

(b) POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

(A) a revision of this resolution or any concurrent resolution on the budget for fiscal year 1998 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the sum of the defense and nondefense discretionary spending limits for such fiscal year;

(B) any concurrent resolution on the budget for fiscal year 1999, 2000, 2001, 2002, or 2003 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the discretionary spending limit for such fiscal year; or

(C) any appropriations bill or resolution (or amendment, motion, or conference report on such appropriations bill or resolution) for fiscal year 1997, 1998, 1999, 2000, 2001, 2002, or 2003 that would exceed any of the discretionary spending limits in this section or suballocations of those limits made pursuant to section 602(b) of the Congressional Budget Act of 1974.

(2) EXCEPTION.—

(A) IN GENERAL.—This section shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

(B) ENFORCEMENT OF DISCRETIONARY LIMITS IN FY 1997.—Until the enactment of reconciliation legislation pursuant to section 105 of this resolution and for purposes of the application of paragraph (1), only subparagraph (C) of paragraph (1) shall apply to fiscal year 1997.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint 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.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

SEC. 202. EXTENSION OF PAY-AS-YOU-GO POINT OF ORDER.

(a) PURPOSE.—The Senate declares that it is essential to—

(1) ensure continued compliance with the balanced budget plan set forth in this resolution; and

(2) continue the pay-as-you-go enforcement system.

(b) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the deficit for any one of the three applicable time periods as measured in paragraphs (5) and (6).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection the term ''applicable time period'' means any one of the three following periods:

(A) The first year covered by the most recently adopted concurrent resolution on the budget.

(B) The period of the first five fiscal years covered by the most recently adopted concurrent resolution on the budget.

(C) The period of the five fiscal years following the first five fiscal years covered in the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING LEGISLATION.—For purposes of this subsection and except as provided in paragraph (4), the term ''direct-spending legislation'' means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by and interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) EXCLUSION.—For purposes of this subsection, the terms ''direct-spending legislation'' and ''revenue legislation'' do not include—

(A) any concurrent resolution on the budget; or

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(5) BASELINE.—Estimates prepared pursuant to this section shall—

(A) use the baseline used for the most recently adopted concurrent resolution on the budget; and

(B) be calculated under the requirements of subsections (b) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal years beyond those covered by that concurrent resolution on the budget.

(6) PRIOR SURPLUS.—If direct spending or revenue legislation increases the deficit when taken individually, then it must also increase the deficit when taken together with all direct spending and revenue legislation enacted since the beginning of the calendar year not accounted for in the baseline under paragraph (5)(A), except that the direct spending or revenue effects resulting from legislation enacted pursuant to the reconciliation instructions included in that concurrent resolution on the budget shall not be available.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of 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 joint 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.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

(f) SUNSET.—Subsections (a) through (e) of this section shall expire September 30, 2003.

SEC. 203. EXTENSION OF BUDGET ACT 60-VOTE ENFORCEMENT THROUGH 2003.

Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by sections 13112(b) and 13208(b)(3) of the Budget Enforcement Act of 1990), the second sentence of section 904(c) of the Congressional Budget Act of 1974 (except insofar as it relates to section 313 of that Act) and the final sentence of section 904(d) of that Act (except insofar as it relates to section 313 of that Act) shall continue to have effect as rules of the Senate through (but no later than) September 30, 2003.

SEC. 204. EXERCISE OF RULEMAKING POWERS.

The Congress adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, or of that House to which they specifically

apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change those rules (so far as they relate to that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

DOLE (AND OTHERS) AMENDMENT NO. 4019

Mr. DOMENICI (for Mr. DOLE, Mr. HATCH, and Mr. HELMS) proposed an amendment to the concurrent resolution (S. Con. Res. 57) supra; as follows:

The Senate finds that:

drug use is devastating to the nation, particularly among juveniles, and has led juveniles to become involved in interstate gangs and to participate in violent crime;

drug use has experienced a dramatic Resurgence among our youth:

the number of youths aged 12–17 using marijuana has increased from 1.6 million in 1992 to 2.9 million in 1994, and the category of ''recent marijuana use'' increased a staggering 200% among 14 to 15-year-olds over the same period;

The Senate finds that:

since 1992, there has been a 52% jump in the number of high school seniors using drugs on a monthly basis, even as worrisome declines are noted in peer disapproval of drug use;

1 in 3 high school students uses marijuana;

12 to 17-year-olds who use marijuana are 85% more likely to graduate to cocaine than those who abstain from marijuana;

juveniles who reach 21 without ever having used drugs almost never try them later in life;

the latest results from the Drug Abuse Warning Network show that marijuana-related episodes jumped 39% and are running at 155% above the 1990 level, and that methamphetamine cases have risen 256% over the 1991 level;

between February 1993 and February 1995 the retail price of a gram of cocaine fell from $172 to $137, and that of a gram of heroin also fell from $2,032 to $1,278;

it has been reported that the Department of Justice, through the United States Attorney for the Southern District of California, has adopted a policy of allowing certain foreign drug smugglers to avoid prosecution altogether by being released to Mexico;

it has been reported that in the past year approximately 2,300 suspected narcotics traffickers were taken into custody for bringing illegal drugs across the border, but approximately one in four were returned to their country of origin without being prosecuted;

it has been reported that the U.S. Customs Service is operating under guidelines limiting any prosecution in marijuana cases to cases involving 125 pounds of marijuana or more;

it has been reported that suspects possessing as much as 32 pounds of methamphetamine and 37,000 Quaalude tablets, were not prosecuted but were, instead, allowed to return to their countries of origin after their drugs and vehicles were confiscated;

it has been reported that after a seizure of 158 pounds of cocaine, one defendant was cited and released because there was no room at the federal jail and charges against her were dropped;

it has been reported that some smugglers have been caught two or more times—even in the same week—yet still were not prosecuted;

the number of defendants prosecuted for violations of the federal drug laws has dropped from 25,033 in 1992 to 22, 926 in 1995;

the efforts of law enforcement officers deployed against drug smugglers are severely undermined by insufficiently vigorous prosecution policies of federal prosecutors;

this Congress has increased the funding of the Federal Bureau of Prisons by 11.7% over the 1995 appropriations level;

this Congress has increased the funding of the Immigration and Naturalization Service by 23.5% over the 1995 appropriations level;

it is the Sense of the Senate that the functional totals underlying this resolution assume that the Attorney General promptly should investigate this matter and report, within 30 days, to the Chair of the Senate and House Committees on the Judiciary;

That the Attorney General should change the policy of the United States Attorney for the Southern District of California in order to ensure that cases involving the smuggling of drugs into the United States are vigorously prosecuted; and

That the Attorney General should direct all United States Attorneys vigorously to prosecute persons involved in the importation of illegal drugs into the United States.

FEINGOLD (AND OTHERS) AMENDMENT NO. 3969

Mr. FEINGOLD (for himself, Mr. SIMON, Mr. BUMPERS, and Mr. ROBB) proposed an amendment to the concurrent resolution (S. Con. Res. 57) supra; as follows:

On page 3, line 5, increase the amount by $15,000,000,000.

On page 3, line 6, increase the amount by $20,000,000,000.

On page 3, line 7, increase the amount by $24,000,000,000.

On page 3, line 8, increase the amount by $23,000,000,000.

On page 3, line 9, increase the amount by $23,000,000,000.

On page 3, line 10, increase the amount by $16,000,000,000.

On page 3, line 14, increase the amount by $15,000,000,000.

On page 3, line 15, increase the amount by $20,000,000,000.

On page 3, line 16, increase the amount by $24,000,000,000.

On page 3, line 17, increase the amount by $23,000,000,000.

On page 3, line 18, increase the amount by $23,000,000,000.

On page 3, line 19, increase the amount by $16,000,000,000.

On page 5, line 1, decrease the amount by $15,000,000,000.

On page 5, line 2, decrease the amount by $20,000,000,000.

On page 5, line 3, decrease the amount by $24,000,000,000.

On page 5, line 4, decrease the amount by $23,000,000,000.

On page 5, line 5, decrease the amount by $23,000,000,000.

On page 5, line 6, decrease the amount by $16,000,000,000.

On page 5, line 9, decrease the amount by $15,000,000,000.

On page 5, line 10, decrease the amount by $20,000,000,000.

On page 5, line 11, decrease the amount by $24,000,000,000.

On page 5, line 12, decrease the amount by $23,000,000,000.

On page 5, line 13, decrease the amount by $23,000,000,000.

On page 5, line 14, decrease the amount by $16,000,000,000.

On page 6, line 13, decrease the amount by $15,000,000,000.

On page 6, line 14, decrease the amount by $20,000,000,000.

On page 6, line 15, decrease the amount by $24,000,000,000.

On page 6, line 16, decrease the amount by $23,000,000,000.

On page 6, line 17, decrease the amount by $23,000,000,000.

On page 6, line 18, decrease the amount by $16,000,000,000.

On page 51, beginning with line 6 strike all through line 17.

On page 55, beginning with line 18 strike all through page 56, line 20.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY

Mr. LOTT. Mr. President, the Finance Committee requests unanimous consent for the Subcommittee on Social Security and Family Policy to conduct a hearing on Monday, May 20, 1996, beginning at 10 a.m. in room SD–215.

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

ADDITIONAL STATEMENTS

U.S. ENRICHMENT CORPORATION

• Mr. MURKOWSKI. Mr. President, the press in Washington likes to highlight conflict and acrimony. In their quest to report the latest conflict between Congress and the President, Democrats and Republicans, or the House and the Senate, the media generally misses the story of Republicans and Democrats quietly sitting down together to work out very complex and difficult problems.

This is a shame, because it leads people outside Washington to think that all we do around here is posture and fight—and that's just not true.

Quite often, Congress and the Administration, the House and the Senate, Democrats and Republicans, labor and management, producers and consumers all sit down and work out difficult problems to everyone's mutual benefit. It often goes unnoticed. The press never writes a story. The public outside the beltway never hears about it. Such was the case with recent legislation to assist with the privatization of the U.S. Enrichment Corporation.

Mr. President, this nation has a uranium enrichment enterprise dating back to the end of World War II. Most of the uranium that has powered reactors in North America, Europe, and Japan was enriched at plants in the United States, by U.S. workers. This enterprise has suffered under the yoke of government control, and it has steadily lost market share to competitors around the world. As a result, the maintenance of a secure, economical domestic enrichment capability was at stake.

Certain members of the Senate recognized this problem early on. Senators DOMENICI, FORD and JOHNSTON, in particular, worked to put the U.S. Enrichment Corporation, or USEC, on the path toward privatization years ago.

I must confess, Mr. President, when I first became familiar with this issue as Chairman of the Energy and Natural Resources Committee, I was very concerned that a consensus might not be achievable.

We had conflicts between the desire to implement a Russian enriched uranium purchase agreement and the legitimate interests of enrichment plant workers and uranium producers. We had conflicts between plant workers and plant management. We had conflicts between USEC and other entities that desired to get into the enrichment business. We had tough issues to resolve that impacted every player in the front end of the nuclear fuel cycle, including uranium producers, converters, enrichers, fuel fabricators, and utilities.

To complicate the picture, we had to address all these thorny issues in a manner that would maximize USEC's value without inhibiting competition in the enrichment market.

After hearings, a markup, and many months of work and negotiation between Senators, Senate staff, Members of the House, House staff, representatives of the Administration, uranium producers, labor unions, industry and many others, a bipartisan, bicameral bill slowly began to emerge. This was not always an easy negotiation, but those involved stuck with it to reach the best consensus achievable.

Like any successful negotiation, all sides had to give a little. Nobody was completely happy. But we got it done and achieved a broad consensus.

The USEC privatization bill was included in the reconciliation package which was vetoed for reasons having nothing to do with the USEC language. The USEC privatization bill was then presented as a stand-alone bill that was placed on the Senate calendar, and the language emerging from our consensus was finally included in the Omnibus Appropriations bill that was recently signed by the President and enacted into law.

I am pleased that the adoption of this measure will result in the long term viability of a secure, economical, domestic source of uranium production and enrichment while providing revenues exceeding a billion dollars for the U.S. Treasury.

Mr. President, I want to publicly thank some of my colleagues who were so instrumental in making this bill a reality. Senators DOMENICI, FORD, JOHNSTON, THOMAS, and CAMPBELL played key roles in the Committee's deliberations. Although they weren't on our Committee, Senators MCCONNELL and DEWINE worked behind the scenes, each bringing issues to my attention during difficult periods of the negotiation.

In particular, I want to mention and praise the efforts of Senator DOMENICI and Alex Flint of his staff. Senator DOMENICI and Alex were working this measure on a daily basis throughout its formulation, introduction, hearings, markup, the budget reconciliation process, and the omnibus appropriations process. Senators FORD and JOHNSTON, ably served by Sam Fowler, the Minority Chief Counsel of the Energy Committee, were instrumental and absolutely indispensable in the eventual success of the measure.

At the Department of Energy, the personal and intense interest of Deputy Secretary Charles Curtis was a key to success. With Charlie's help we were able to break through some of the customary obstacles that arise in a protracted negotiation such as this.

The consideration of this bill also brought to light a former Energy Committee staff member, Mr. Russ Brown, who now works for USEC in a Governmental Affairs capacity. Russ worked for me on the old Water and Power Subcommittee when I was first a subcommittee chairman. Russ got to walk the halls of the Senate once again during the consideration of this bill. If there is a bad outcome arising from this bill's passage, it's the fact that Russ can't hand around his beloved Senate anymore and must return to work at USEC's offices in Bethesda.

Let me simply say that there are others I haven't specifically mentioned who deserve our thanks and recognition as well. They know who they are, and we are all indebted to their professionalism and perseverance.●

THE MOST REVEREND DAVID B. THOMPSON; A TRIBUTE

● Mr. HOLLINGS. Mr. President, I would like to take a moment to pay tribute to a revered and respected community figure, a gifted teacher and a good friend. This week, Bishop David B. Thompson celebrates three anniversaries at once: that of his birth, May 29, 1923; his priestly ordination May 27, 1950, and his episcopal ordination May 24, 1989. It is a truly significant week of the year for him, the Diocese of Charleston, his family and friends.

Bishop Thompson was born in Philadelphia to David B. and Catharine A. Thompson. He has two siblings: a sister, Elizabeth Jane Hutton and a twin brother, also a priest, The Reverend Monsignor Edward J. Thompson, who is retired. The Bishop's studies for the priesthood began immediately after he graduated from High School. He attended St. Charles Borromeo Seminary, Overbrook, PA, where he earned a bachelor of arts and a master of arts degree in history.

He earned a licentiate in canon law (J.C.L.) from the Catholic University of America while serving as an assistant pastor at Our Lady of Pompeii over the summers of 1951 and 1952. In September 1952 he was appointed a professor at St. Thomas Moore High School in Philadelphia. He continued to take courses through Villanova University. The Bishop also served the school as a guidance counselor.

In 1957, Monsignor Thompson was named the founding principal of Notre Dame High School in Easton, PA, where he served for 4 years. During that time, he made a name for himself, or rather, the students made a name for him. The students had expressed to Bishop Thompson the need for a similar social outlet to American Bandstand. He responded by establishing a Notre Dame Bandstand and hiring Gene Kaye, a disc jockey from Allentown. Mr. Kaye helped to make it a nationally known event; he also gave Bishop Thompson the name ''Father Bandstand.'' Among the people to appear on stage at Notre Dame were Frankie Avalon, Chubby Checker, Connie Frances, Fabian, Annette Funicello, and Brenda Lee. When Paul Anka performed in the summer of 1960, more than 2,300 teenagers were there to hear him.

In January 1961, the Diocese of Allentown was created by Pope John XXIII. Monsignor Thompson was named the first chancellor of the new diocese and served as the moderator of an $11 million educational building campaign. For 22 years, he would serve in the capacity of Vicar General. In 1967 he was named the pastor of Immaculate Conception Church, the oldest Catholic Church in Allentown. Over the years, he was given tremendous and varied responsibilities within the diocese, and he brought to each new challenge the wisdom and energy which has become his trademark. He served as the pastor of the Allentown Cathedral Church of St. Catherine of Siena from 1975 to 1989.

In 1989, Pope John Paul II appointed Bishop Thompson the 11th Bishop of Charleston. He succeeded Bishop Ernest L. Unterkoefler upon his retirement in February 1990. Of the numerous accomplishments in Bishop Thompson's life, from his educational achievements to his high honors within the church, it is the effect he has on individuals as he carries out his life's work that truly sets him apart. During the years of his incumbency, Bishop Thompson has traveled thousands of miles to visit every parish and mission in his diocese, which encompasses the entire State of South Carolina. He has reinvigorated the Diocese of Charleston, vocations have increased 400 percent, and in 1994 alone there were over 30 building projects in the 114 parishes and missions. He has set parochial education standards that have improved the quality of diocesan schools throughout South Carolina, and he has encouraged youth participation in the life of the church. He has given so much of himself to the State, being active in local events, and a constant presence.

On every level, from local to national, Bishop Thompson has been a tireless champion of Christian values and humanism. He has been awarded the Tree of Life Award, the Jewish National Fund's highest honor, for his efforts on behalf of interfaith harmony. Under his leadership, the diocese sponsored the Palmetto Project Community

Relations Forum, an effort to erase racism through friendship. And he continues to inspire every individual and group with whom he comes into contact.

I am truly honored to know this man, and, along with my wife Peatsy, I wish him a joyous anniversary celebration.●

NEUROFIBROMATOSIS, INC., THE NF SUPPORT GROUP OF WEST MICHIGAN, AND ROSEMARY AND GILLIAN ANDERSON

● Mr. ABRAHAM. Mr. President, on Friday, May 3, 1996, I had the honor and pleasure of hosting a luncheon here in the U.S. Senate on behalf of furthering awareness and understanding of the neurological disorder neurofibromatosis. The luncheon, held in the Russell Caucus Room, was sponsored by Neurofibromatosis, Inc., a national nonprofit organization with chapters around the country which provides support for individuals and families affected by NF. NF, Inc., also promotes greater education and awareness of NF and helps spur further research into its causes and treatment.

Neurofibromatosis is one of the most common genetic conditions of the nervous system. NF can strike any family, and there is no known cure. NF is a progressive disorder that causes tumors to form on nerves throughout the body. It manifests itself in two genetically distinct forms, the most common of which strikes approximately 1 in 4,000 individuals. Although unpredictable, NF can cause hearing loss, vision impairment, seizures, bone deformities, learning disabilities, and cancer. Congress has consistently supported aggressive research into NF and has encouraged the National Institutes of Health to coordinate their activities in order to intensify research into NF's link to learning disabilities and its connection to other serious tumor diseases, including cancer.

In addition to providing Members and their staff with the opportunity to learn more about NF, the luncheon gave the organization's membership an opportunity to present awards to several individuals who have made outstanding contributions to the cause of finding a cure for and effective treatment of NF.

Our colleague Senator NANCY KASSEBAUM was recognized for her work on behalf of NF and other genetic conditions as a member—and now as chairman—of the Senate Labor and Human Resources Committee. Dr. Francis S. Collins, Director of the National Institutes of Health's National Center for Human Genome Research, also received an award for his work in this area. Much of what is now known about the link between NF and human genetics is the result of research conducted by Dr. Collins while he was a professor and researcher at the University of Michigan at Ann Arbor from 1984 until his selection in 1993 to head the human genome project. And Dr. Martha Bridge Denckla, director of the developmental cognitive neurology division of the Kennedy-Krieger Institute in Baltimore, was named the 1996 NF, Inc., scholar, recognition for the significant contribution she has made to the understanding of NF and learning disabilities.

However, the highlight of this event for me was meeting and talking to two other individuals who played prominent roles in the luncheon's program and who happen to hail from my State of Michigan.

The first person, Mrs. Rosemary Anderson, has a long record of activism on behalf of individuals with NF and their families. Rosemary Anderson currently resides in Grand Rapids and is co-president of the NF Support Group of West Michigan. Rosemary joined a fledgling NF support group back in the mid-1980's and, shortly thereafter, took over running it along with another colleague, Bette Contreras. Since then she and Bette have turned this group into an instrument of information, education, and emotional support that has become indispensable to the people of west Michigan with NF and their families. Through Rosemary's work at the NF Support Group of West Michigan, she came to know and work with Dr. Francis Collins during his tenure at the University of Michigan. They have continued to stay in touch and remain good friends, and therefore, it was quite fitting that Rosemary was chosen to formally introduce Dr. Collins at the luncheon.

The other person is Rosemary's daughter, Ms. Gillian Anderson. Gillian, who grew up in Grand Rapids and now lives in Vancouver, British Columbia, is the star of the hit Fox Network television series, ''The X Files.'' Gillian was kind enough to appear at the luncheon which introduced her to Capitol Hill and drew public attention to the NF cause. While in Washington, DC, she took other steps to promote greater awareness of NF and to seek increased funding for NF research. She and Rosemary appeared on the local ''Fox Morning News'' show, and Gillian taped a public service announcement on NF which is to be aired nationally over the Fox Network.

Mr. President, it was truly wonderful to see how much that crowd admired Gillian Anderson. I think every person who attended that luncheon stayed afterward to have their picture taken with her and have her sign an autograph for them—either on the NF, Inc. newsletter or on magazine covers which contained her picture.

However, I was moved even more by the poignant and compelling remarks that Gillian made as the luncheon ended. Her touching comments, revealing her own experience and perspective regarding NF, captivated the audience. I would like to share her comments with my colleagues because I think, in many ways, they transcended the issue, neurofibromatosis, that brought so many people to that event in the first place. Her remarks really conveyed the despair and the hope that surround every disease or condition for which there is no cure or effective treatment. As intimate and personal as her observations were, I believe they warrant expression to a wider audience than was able to hear and learn from them that afternoon.

Therefore, Mr. President, I ask that a transcript of Ms. Gillian Anderson's remarks be printed in the RECORD.

The transcript follows:

REMARKS OF GILLIAN ANDERSON AT NEUROFIBROMATOSIS, INC. LUNCHEON, FRIDAY, MAY 3, 1996

Thank you. I am just listening to the very small list of my accomplishments. They seem so insignificant in the presence of such gurus as Dr. Collins and Senator KASSEBAUM. I'm very honored to be here. But I will say, this is much scarier than any ''X-File'' I've ever encountered.

I'm going to read what I've written. I may be able to look you in the eye, but at this point it's written down and hopefully I can make some sense.

My first lesson with neurofibromatosis came when I was 16, after we learned that my three and a half year old brother Aaron had it. My mother took me to the first meeting of what was to become the Neurofibromatosis Support Group of West Michigan.

I remember the social worker there talking to the 40 or so people who had shown up. There were many who were too intimidated to speak, and there were many who were so excited about the prospect of communicating with people who for the first time understood what they had been going through, and also communicating the fears that they had experienced in their lives, that they couldn't stop talking.

I remember in particular one young mother who had just lost her 6-year-old daughter to an NF related brain tumor, and I remember a 60 year old woman who was trying somewhat heroically not to hide the many disfiguring tumors on her face. It was a very broad spectrum.

My Mother tells me that some people never actually came back to that support group. I think for the many who remained over the past 11 and some years, that the support group has been there, they have shared in the comfort of unbiased friends and fellow sufferers, and in the slow but gradual understanding of NF and its unpredictable complications.

I have watched my brother grow into a sturdy 15-year-old boy. We are among the most fortunate of NF families. My brother is mildly affected; so far so good. But as we learned here today, if we didn't already know, with NF, it is never over. He has a couple of visible tumors, skin tumors, right now. He may have no more; he may have so many more that they are uncountable. We don't know at this point. And then there's always the threat of the more serious tumors which can come about at any time.

And I guess my one hope, regardless of what happens in the future for him, is that the ''Joke-meister,'' as we call him, maintains his wonderful sense of humor throughout.

But it is not just Aaron and the West Michigan NF community. NF is worldwide, and it can happen in any family. And I must say that if the horror of this disease isn't enough to promote its financial support, something that has—that is just as important, and something you might want to consider as an added bonus, is that the study of

NF and neurofibromatosis research is already providing breakthroughs in understanding more about cancer. And we all know how to pronounce that.

I want to thank you for having me here, for joining me in an effort to raise awareness of a disease that is in dire need of acknowledgement, community education, and extensive research if we are going to find a cure.

Thank you very much.

[Applause.]

[Small girl hands her flowers.]●

SENATE QUARTERLY MAIL COSTS

● Mr. WARNER. Mr. President, in accordance with section 318 of Public Law 101–520 as amended by Public Law 103–283, I am submitting the frank mail allocations made to each Senator from the appropriation for official mail expenses and a summary tabulation of Senate mass mail costs for the second quarter of fiscal year 1996 to be printed in the RECORD. The second quarter of fiscal year 1996 covers the period of January 1, 1996, through March 31, 1996. The official mail allocations are available for frank mail costs, as stipulated in Public Law 104–53, the Legislative Branch Appropriations Act for Fiscal Year 1996.

The material follows:

SENATE QUARTERLY MASS MAIL VOLUMES AND COSTS FOR THE QUARTER ENDING MAR. 31, 1996

Senators	Total pieces	Pieces per capita	Total cost	Cost per capita	Fiscal year 1996 official mail allocation
Abraham	705	0.00007	$203.74	0.00002	$160.875
Akaka	0	0.00000	0.00	0.00000	48,447
Ashcroft	0	0.00000	0.00	0.00000	109,629
Baucus	99,100	0.12027	23,260.70	0.02823	46,822
Bennett	0	0.00000	0.00	0.00000	56,493
Biden	0	0.00000	0.00	0.00000	44,754
Bingaman	0	0.00000	0.00	0.00000	56,404
Bond	0	0.00000	0.00	0.00000	109,629
Boxer	1,500	0.00005	425.49	0.00001	433,718
Bradley	0	0.00000	0.00	0.00000	139,706
Breaux	0	0.00000	0.00	0.00000	92,701
Brown	0	0.00000	0.00	0.00000	86,750
Bryan	0	0.00000	0.00	0.00000	56,208
Bumpers	0	0.00000	0.00	0.00000	69,809
Burns	0	0.00000	0.00	0.00000	46,822
Byrd	0	0.00000	0.00	0.00000	59,003
Campbell	0	0.00000	0.00	0.00000	86,750
Chafee	0	0.00000	0.00	0.00000	48,698
Coats	0	0.00000	0.00	0.00000	112,682
Cochran	0	0.00000	0.00	0.00000	69,473
Cohen	0	0.00000	0.00	0.00000	52,134
Conrad	0	0.00000	0.00	0.00000	43,403
Coverdell	0	0.00000	0.00	0.00000	131,465
Craig	34,783	0.03260	8,667.83	0.00812	49,706
D'Amato	0	0.00000	0.00	0.00000	262,927
Daschle	0	0.00000	0.00	0.00000	44,228
DeWine	0	0.00000	0.00	0.00000	186,314
Dodd	0	0.00000	0.00	0.00000	80,388
Dole	0	0.00000	0.00	0.00000	70,459
Domenici	0	0.00000	0.00	0.00000	56,404
Dorgan	0	0.00000	0.00	0.00000	43,403
Exon	0	0.00000	0.00	0.00000	57,167
Faircloth	0	0.00000	0.00	0.00000	134,344
Feingold	0	0.00000	0.00	0.00000	102,412
Feinstein	0	0.00000	0.00	0.00000	433,718
Ford	0	0.00000	0.00	0.00000	86,009
Frist	0	0.00000	0.00	0.00000	106,658
Glenn	0	0.00000	0.00	0.00000	186,314
Gorton	0	0.00000	0.00	0.00000	109,059
Graham	0	0.00000	0.00	0.00000	259,426
Gramm	3,300	0.00019	752.30	0.00004	281,361
Grams	8,923	0.00199	7,335.17	0.00164	96,024
Grassley	0	0.00000	0.00	0.00000	73,403
Gregg	0	0.00000	0.00	0.00000	50,569
Harkin	0	0.00000	0.00	0.00000	73,403
Hatch	0	0.00000	0.00	0.00000	56,493
Hatfield	0	0.00000	0.00	0.00000	78,163
Heflin	0	0.00000	0.00	0.00000	89,144
Helms	0	0.00000	0.00	0.00000	134,344
Hollings	0	0.00000	0.00	0.00000	85,277
Hutchison	0	0.00000	0.00	0.00000	281,361
Inhofe	0	0.00000	0.00	0.00000	82,695
Inouye	0	0.00000	0.00	0.00000	48,447
Jeffords	12,700	0.02228	2,591.76	0.00455	42,858
Johnston	0	0.00000	0.00	0.00000	92,701
Kassebaum	0	0.00000	0.00	0.00000	70,459
Kempthorne	0	0.00000	0.00	0.00000	49,706

SENATE QUARTERLY MASS MAIL VOLUMES AND COSTS FOR THE QUARTER ENDING MAR. 31, 1996—Continued

Senators	Total pieces	Pieces per capita	Total cost	Cost per capita	Fiscal year 1996 official mail allocation
Kennedy	0	0.00000	0.00	0.00000	117,964
Kerrey	0	0.00000	0.00	0.00000	57,167
Kerry	931	0.00016	247.38	0.00004	117,964
Kohl	0	0.00000	0.00	0.00000	102,412
Kyl	0	0.00000	0.00	0.00000	93,047
Lautenberg	783	0.00010	678.21	0.00009	139,706
Leahy	0	0.00000	0.00	0.00000	42,858
Levin	0	0.00000	0.00	0.00000	160,875
Lieberman	0	0.00000	0.00	0.00000	80,388
Lott	342,000	0.13083	59,962.12	0.02294	69,473
Lugar	0	0.00000	0.00	0.00000	112,682
Mack	0	0.00000	0.00	0.00000	259,426
McCain	0	0.00000	0.00	0.00000	93,047
McConnell	0	0.00000	0.00	0.00000	86,009
Mikulski	0	0.00000	0.00	0.00000	101,272
Moseley-Braun	0	0.00000	0.00	0.00000	184,773
Moynihan	0	0.00000	0.00	0.00000	262,927
Murkowski	0	0.00000	0.00	0.00000	42,565
Murray	110,600	0.02153	22,048.97	0.00429	109,059
Nickles	0	0.00000	0.00	0.00000	82,695
Nunn	0	0.00000	0.00	0.00000	131,465
Pell	0	0.00000	0.00	0.00000	48,698
Pressler	0	0.00000	0.00	0.00000	44,228
Pryor	0	0.00000	0.00	0.00000	69,809
Reid	0	0.00000	0.00	0.00000	56,208
Robb	0	0.00000	0.00	0.00000	121,897
Rockefeller	132,152	0.07293	27,775.63	0.01533	59,003
Roth	0	0.00000	0.00	0.00000	44,754
Santorum	0	0.00000	0.00	0.00000	199,085
Sarbanes	0	0.00000	0.00	0.00000	101,272
Shelby	0	0.00000	0.00	0.00000	89,144
Simon	0	0.00000	0.00	0.00000	184,773
Simpson	0	0.00000	0.00	0.00000	41,633
Smith	0	0.00000	0.00	0.00000	50,569
Snowe	0	0.00000	0.00	0.00000	52,134
Specter	0	0.00000	0.00	0.00000	199,085
Stevens	0	0.00000	0.00	0.00000	42,565
Thomas	0	0.00000	0.00	0.00000	41,633
Thompson	0	0.00000	0.00	0.00000	106,658
Thurmond	0	0.00000	0.00	0.00000	85,277
Warner	0	0.00000	0.00	0.00000	121,897
Wellstone	0	0.00000	0.00	0.00000	96,024
Wyden	0	0.00000	0.00	0.00000	52,135●

ORDER FOR ADJOURNMENT

Mr. DOMENICI. Mr. President, if there is no further business to come before the Senate, I ask that the Senate stand in adjournment under the previous order, following the remarks of the distinguished Senator from Wisconsin.

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

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for the amendment.

AMENDMENT NO. 4019

Mr. DOMENICI. On behalf of Senators DOLE, HATCH, and HELMS, I submit an amendment and ask for its immediate consideration. I guess I need consent. I ask unanimous consent that the pending amendment be set aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DOLE, for himself, Mr. HATCH, and Mr. HELMS, proposes an amendment numbered 4019.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

The Senate finds that:

Drugs use is devastating to the nation, particularly among juveniles, and has led juveniles to become involved in interstate gangs and to participate in violent crime;

Drug use has experienced a dramatic resurgence among our youth;

The number of youths aged 12–17 using marijuana has increased from 1.6 million in 1992 to 2.9 million in 1994, and the category of ''recent marijuana use'' increased a staggering 200% among 14 to 15-year-olds over the same period.

The Senate finds that:

Since 1992, there has been a 52% jump in the number of high school seniors using drugs on a monthly basis, even as worrisome declines are noted in peer disapproval of drug use;

1 in 3 high school students uses marijuana;

12 to 17-year-olds who use marijuana are 85% more likely to graduate to cocaine than those who abstain from marijuana;

Juveniles who reach 21 without ever having used drugs almost never try them later in life;

The latest results from the Drug Abuse Warning Network show that marijuana-related episodes jumped 39% and are running at 155% above the 1990 level, and that methamphetamine cases have risen 256% over the 1991 level;

Between February 1993 and February 1995 the retail price of a gram of cocaine fell from $172 to $137, and that of a gram of heroin also fell from $2,032 to $1,278;

It has been reported that the Department of Justice, through the United States Attorney for the Southern District of California, has adopted a policy of allowing certain foreign drug smugglers to avoid prosecution altogether by being released to Mexico;

It has been reported that in the past year approximately 2,300 suspected narcotics traffickers were taken into custody for bringing illegal drugs across the border, but approximately one in four were returned to their country of origin without being prosecuted;

It has been reported that the U.S. Customs Service is operating under guidelines limiting any prosecution in marijuana cases to cases involving 125 pounds of marijuana or more;

It has been reported that suspects possessing as much as 32 pounds of methamphetamine and 37,000 Quaalude tables, were not prosecuted but were, instead, allowed to return to their countries of origin after their drugs and vehicles were confiscated;

It has been reported that after a seizure of 158 pounds of cocaine, one defendant was cited and released because there was no room at the federal jail and charges against her were dropped;

It has been reported that some smugglers have been caught two or more times—even in the same week—yet still were not prosecuted;

The number of defendants prosecuted for violations of the federal drug laws has dropped from 25,033 in 1992 to 22,926 in 1995;

The efforts of law enforcement officers deployed against drug smugglers are severely undermined by insufficiently vigorous prosecution policies of federal prosecutors;

This Congress has increased the funding of the Federal Bureau of Prisons by 11.7% over the 1995 appropriations level;

This Congress has increased the funding of the Immigration and Naturalization Service by 23.5% over the 1995 appropriations level;

It is the Sense of the Senate that the functional totals underlying this resolution assume that the Attorney General promptly

should investigate this matter and report, within 30 days, to the Chair of the Senate and House Committees on the Judiciary.

That the Attorney General should change the policy of the United States Attorney for the Southern District of California in order to ensure that cases involving the smuggling of drugs into the United States are vigorously prosecuted; and

That the Attorney General should direct all United States Attorneys vigorously to prosecute persons involved in the importation of illegal drugs into the United States.

Mr. DOMENICI. This amendment, Mr. President, is a sense of the Senate that says funding in the resolution assumes that the Attorney General should conduct an investigation promptly into a number of areas and report to them. If the reports that have been made are correct about the administration's prosecution of drug smugglers, they are disturbing. This asks for certain reports. I have nothing further on the amendment.

Now, if Senator FEINGOLD can proceed, we will follow the unanimous consent request.

Mr. FEINGOLD addressed the Chair.

Mr. President, first, I very much thank the chairman and ranking member for their courtesy.

Mr. President, I ask unanimous consent that the pending amendment be set aside temporarily so I may offer an amendment.

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

Mr. FEINGOLD. Thank you, Mr. President.

AMENDMENT NO. 3969

(Purpose: To eliminate the tax cut)

Mr. FEINGOLD. Mr. President, I have an amendment at the desk, No. 3969, and I call it up.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for himself, Mr. SIMON, Mr. BUMPERS, and Mr. ROBB proposes an amendment numbered 3969.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that further 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 5, increase the amount by $15,000,000,000.

On page 3, line 6, increase the amount by $20,000,000,000.

On page 3, line 7, increase the amount by $24,000,000,000.

On page 3, line 8, increase the amount by $23,000,000,000.

On page 3, line 9, increase the amount by $23,000,000,000.

On page 3, line 10, increase the amount by $16,000,000,000.

On page 3, line 14, increase the amount by $15,000,000,000.

On page 3, line 15, increase the amount by $20,000,000,000.

On page 3, line 16, increase the amount by $24,000,000,000.

On page 3, line 17, increase the amount by $23,000,000,000.

On page 3, line 18, increase the amount by $23,000,000,000.

On page 3, line 19, increase the amount by $16,000,000,000.

On page 5, line 1, decrease the amount by $15,000,000,000.

On page 5, line 2, decrease the amount by $20,000,000,000.

On page 5, line 3, decrease the amount by $24,000,000,000.

On page 5, line 4, decrease the amount by $23,000,000,000.

On page 5, line 5, decrease the amount by $23,000,000,000.

On page 5, line 6, decrease the amount by $16,000,000,000.

On page 5, line 9, decrease the amount by $15,000,000,000.

On page 5, line 10, decrease the amount by $20,000,000,000.

On page 5, line 11, decrease the amount by $24,000,000,000.

On page 5, line 12, decrease the amount by $23,000,000,000.

On page 5, line 13, decrease the amount by $23,000,000,000.

On page 5, line 14, decrease the amount by $16,000,000,000.

On page 6, line 13, decrease the amount by $15,000,000,000.

On page 6, line 14, decrease the amount by $20,000,000,000.

On page 6, line 15, decrease the amount by $24,000,000,000.

On page 6, line 16, decrease the amount by $23,000,000,000.

On page 6, line 17, decrease the amount by $23,000,000,000.

On page 6, line 18, decrease the amount by $16,000,000,000.

On page 51, beginning with line 6 strike all through line 17.

On page 55, beginning with line 18 strike all through page 56, line 20.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Thank you, Mr. President.

After the debate of the past year, a casual observer might believe that we have finally achieved a broad political consensus that we must balance the budget. Republicans and Democrats and bipartisan groups have all offered plans to balance the budget over the next 6 years. The President has submitted a budget that reaches balance in 6 years, and 5 years if you use the assumptions and numbers of the OMB. This budget resolution provides for a balanced budget by 2002, as do several alternatives that we have been debating in the process of looking at that budget resolution.

Mr. President, one might think that it is only a matter of moving ahead with these various plans until a proposal that can be enacted simply evolves from the political process. Mr. President, the balanced budget veneer of many of these proposals and of this budget resolution in particular obscures a flaw that will make it difficult and maybe impossible to eliminate the deficit and reach balance despite this apparent consensus.

Mr. President, that flaw is the massive tax cut that has been proposed and is still being proposed.

Let me quickly add that this problem is certainly not unique to the budget resolution before us. The plan that was discussed extensively tonight, the Chafee-Breaux plan, has this defect, and to a lesser extent, the President's plan has this flaw as well.

In fact, of course, I was pleased to hear all the bipartisan cooperation on the Chafee-Breaux plan, but as the distinguished ranking member has pointed out just a few moments ago, the money that is raised from the changes in the Consumer Price Index, in the CPI, are not under the Chafee-Breaux plan going to be used to reduce the deficit. They are going to be used to fund a tax cut. That is not pleasant, but it is the cold, hard fact. In their plan, the Chafee-Breaux plan, there is $126 billion in changes in the CPI, and lo and behold, $130 billion in tax cuts. It is almost a dollar-for-dollar transfer from CPI to tax cuts. It is not a dollar-for-dollar transfer from CPI to deficit reduction.

So it is not being used for deficit reduction. As the distinguished ranking member points out, those funds from the CPI are not even being used for purposes of bolstering the Social Security trust fund. These are two purposes that I think rank much higher than a tax cut at this time.

So the question is whether this flaw of including a tax cut is a fatal flaw. It is debatable. But I think it may well be a fatal flaw of the plans before us.

I think these tax cuts being included are certainly irresponsible budgeting. It is a risk not worth taking when we have the central and critical goal being to actually eliminate the Federal deficit over the very few next years.

Mr. President, I have opposed major tax cut plans of both parties for some time now. I was the first Member of either body to do so. I can attest that it is not very much fun to oppose tax cuts or to oppose a President of your own party on such an issue.

I am proud to say, though, we have had some good company. Three of the Senate's most ardent champions of deficit reduction, the Senator from Arkansas, Mr. BUMPERS, the Senator from Virginia, Mr. ROBB, and my neighbor and good friend, the Senator from Illinois, Mr. SIMON, have consistently opposed these reckless tax cuts. I am pleased that they are cosponsors of the amendment that I have just offered.

I am also very pleased, Mr. President, to tell you that we have the support for this amendment of the Concord Coalition, which does believe that tax cuts are not the top priority but that deficit reduction is.

Mr. President, in many ways the concerns of those of us who have fought these fiscally irresponsible tax cuts have been realized. The initial call for major tax cuts in the Contract With America, followed by the President's own proposals, has in fact, as we feared, led to a bidding war on tax cuts. We have too easily moved away from the deficit reduction track. We are still consumed with enacting tax cuts no matter what cost that has for the integrity of the budget process.

Mr. President, every time you turn around, we are bumping into another proposal for some other kind of tax cut, whether well disguised or not.

They come in all shapes and sizes. Some come clothed as tax reform. The so-called flat tax plans we saw offered during the Presidential primaries were really nothing more than plans to cut certain taxes. You did not see anyone calling for a flat tax that raised taxes for anyone. All the plans that were put forward touted tax cuts. In fact, the debate on the flat tax really amounted to which flat tax plan cuts taxes the most.

The Wall Street Journal recently reported that a trendier tax cut plan is a 15 percent across-the-board cut in income tax rates, phased in over 3 years. I am sure we will be hearing a lot more about that before the summer is out. Let me add to this display of a trend on tax cuts, especially in recent weeks.

We have just spent 2 weeks debating on and off the issue of a 4.3-cent gas tax cut, and the other body has sent us a $1.7 billion special adoption tax credit and is working on another $7 billion tax cut for small businesses. This is beginning to look, Mr. President, like a stampede for tax cuts. As I said, unfortunately, even the bipartisan budget alternative includes major tax cuts.

Mr. President, let me say again, and I know you have been a very valued participant in this process. I have enormous respect for those who participated in putting together the bipartisan plan. I think a majority of that group is committed to a balanced budget plan, and I think they would have supported the plan without including the tax cuts. I regret the views of a few in the group who actually prevailed on the tax cut issue. Rather than broadening the appeal for the plan, as I think some of the group hoped the tax cuts undermined the long term fiscal and political integrity of the budget plan, and I believe it cost the plan some significant support both within the Congress and among the American people who know very well you can only spend a dollar once—either for tax cuts or you can spend it to balance the budget—but you cannot spend it for both.

Mr. President, even discounting the short-term effect of election-year politics, we have again really strayed from the course of reducing the deficit. For those whose highest economic priority is a balanced budget, our worst fears may be realized. A tax cut bidding war still dominates the policy debate. Tax cuts, tax cuts—not the need to balance the budget—are the driving force behind many of the policy decisions in this resolution.

Mr. President, those who doubt this need only look to the highly unusual, almost unprecedented, unprecedented special tax cut reconciliation measure envisioned in this resolution. In this ''bucket brigade'' construction of three successive reconciliation bills, it is the tax cut legislation that is the end game. That is the end goal of this technique.

I am told that the parliamentary skids have been greased for that tax cut reconciliation bill and that there may have been some precedent for it in the past. Nevertheless, it is, at best, ironic and, at worst, offensive to grant a tax cut bill the special procedures normally reserved for legislation to reduce the deficit.

Mr. President, let me just close by suggesting this vote is more than just a good vote for the Concord Coalition scorecard, though it certainly is that. It is a vote against this insane tax cut bidding war. It is a vote to get us back on track, to reducing the deficit and balancing the budget. Mr. President, I believe it is a vote for a sensible and sound budgeting process.

Mr. President, I urge the body to consider this alternative. If you take a look at the plan offered by the bipartisan group, all you have to do is eliminate the tax cuts and the whole issue of the CPI would be also eliminated and you would have a balanced budget. It is as simple as that.

I hope as the negotiations and discussions continue people realize we have an even simpler solution before us, and that is to forego the tax cuts, balance the budget first, and then I think all of us will be eager to find the opportunity to reduce taxes for all Americans.

I yield the floor.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 9 a.m., Tuesday, May 21, 1996.

Thereupon, the Senate, at 9:23 p.m., adjourned until Tuesday, May 21, 1996, at 9 a.m.

EXTENSIONS OF REMARKS

POLISH-GEORGIAN CREDIT UNION PARTNERSHIP

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1996

Mr. GINGRICH. Mr. Speaker, I would like to take this opportunity to recognize and bring to my colleague's attention a movement that is currently underway in the nation of Poland. This action is designed to help bring about the creation and development of credit unions to benefit the citizens of Poland.

I understand that the Georgia Credit Union Affiliates, in an unparalleled partnership with the Polish National Association of Cooperative Savings and Credit Unions, have entered into an agreement in which Georgia-based credit unions with provide assistance in the development and implementation of new credit union services and products for the benefit of Polish credit union members.

It has long been understood that the benefits of credit unions help facilitate savings and investment, providing capital for new businesses and strengthening the economy. As we are all aware, savings and investments are the key to a country's long term well being, and I hope this new and unique partnership will lead to a strong economy for Poland and its citizens.

I commend the efforts of the Polish people to build and strengthen their private financial institutions, efforts which I hope will continue for many generations to come.

TRIBUTE TO NORTHERN TELECOM

HON. DAVID FUNDERBURK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1996

Mr. FUNDERBURK. Mr. Speaker, I rise today to congratulate an important corporate citizen in my district. Northern Telecom [Nortel], a telecommunications equipment manufacturer, recently received the first annual Corporate Citizenship Award from the Committee on Economic Development.

Nortel received this prestigious award in recognition of the principles and values the company has held throughout the 100 years it has been in business. Not only do they invest in research and development, in customer satisfaction, in the training and education of their work force, in the quality of their management and in their overall business performance, but also they believe in a strong and ongoing commitment to education, support for arts and culture, and support for nonprofit community service organizations. In the Raleigh-Durham area, Nortel has about 9,000 employees. The company and the employees contributed funds and time to community organizations such as the North Carolina Business Committee for Education and the Health Care Information and Communications Alliance, a collaboration between business and hospitals to develop a statewide health care information and communications system. With Nortel's encouragement and support, employees also contribute time to Habitat for Humanity, the National Council on Aging, Special Olympics and the North Carolina Symphony and the United Arts Council of Durham and Wake Counties.

I ask my colleagues to join me in congratulating Nortel and their employees on receiving this most deserved award.

VIOLENCE IN SLOVAKIA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1996

Mr. SMITH of New Jersey. Mr. Speaker, I am alarmed by recent violence in Slovakia that may be part of a larger pattern of politically motivated violence. During the weekend of May 4–5, a device that may have been a handgrenade exploded in front of the home of Bela Bugar. Mr. Bugar is not only a member of the Hungarian minority's opposition coalition, he is also, according to opinion polls, its most popular member. Shortly before that incident, Robert Remias, a former policeman who has been questioned in connection with the kidnaping of President Michal Kovac's son last year, died when his propane-fueled BMW exploded.

Although it is not yet certain who is responsible for these acts, it is clear that violence coincides with politics in Slovakia at a suspiciously high rate. I also recall, for example, that Frantisek Miklosko, the opposition leader of the Christian Democratic Movement, was assaulted by unknown attackers near his home last August; Peter Toth, a journalist investigating the Kovac case, has also been assaulted; last April, a bomb went off in the car of Arpad Matejka, a member of the Prime Minister's party.

The Helsinki Commission, which I chair, is no stranger to Slovakia. We were a close observer of developments there well before the breakup of the Czechoslovak Federation in 1992 and have issued two major reports on that country. Since last summer, I have been joined twice by Senator ALFONSE D'AMATO, the Commissions' cochairman, and the Commission's ranking minority members, Representative STENY H. HOYER and Senator FRANK LAUTENBERG, in sending letters to Slovak Ambassador Lichardus regarding continuing challenges to the democratization process in his country.

Although the Commission has raised a number of serious concerns in these letters, we have, remained generally optimistic about developments in Slovakia. Last week, for example, I hosted a conference in New Jersey on business opportunities in Central Europe, where I discussed some of the positive economic changes in Slovakia that are creating new opportunities for Slovak society as a whole. I appreciate the willingness of the Slovak Parliament to consider the views of a number of international interlocutors regarding draft legislation and note the active and constructive role of the President and the Constitutional Court in guiding the passage of legislation consistent with democratic values and human rights norms. I commend Prime Minister Meciar for his decision last week to seek, in his words, a wider democratic discussion of the draft law on the protection of the Republic. Most of all, I have been greatly heartened by the increasing involvement of Slovak citizens in all areas of public life.

The message sent by the most recent developments in Slovakia, therefore, is all the more discouraging. And that message is dangerous: take on a high political profile, and you are possibly a more visible—and more likely—target of violence.

I welcome the May 9 statement of the Government of Slovakia condemning acts of violence and promising a thorough investigation of these matters. I believe it is particularly important that the death of Robert Remias be examined in an open and transparent manner, in a manner that makes information available to all those concerned with this case, and in a manner that will foster credibility in its results.

Mr. Speaker, the Helsinki Commission will continue to follow closely developments in this case, and I expect to report further to this body as information becomes available.

TRIBUTE TO DR. STANLEY MARTIN HANFLING

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1996

Mr. LANTOS. Mr. Speaker, I rise today to express my deep sadness at the passing of Dr. Stanley Martin Hanfling, a long-time close friend and a prominent physician from Hillsborough, CA, in my congressional district. Dr. Hanfling dedicated his life to healing, to the advancement of medicine and to improving the health knowledge of our Nation as a whole. I wish to express my most heartfelt gratitude for his many years of friendship and service to the community. My sincerest condolences to his wonderful wife, Cecilia, his sister, Ruth Samuels, his cousin, Irma Leon, his two nephews, a niece, and a multitude of friends and patients.

The San Francisco Peninsula will sorely miss the intelligence and expertise of this excellent physician. Until shortly before his death, Dr. Hanfling practiced internal medicine at his San Mateo office. He was on the staff at Peninsula, Mills, Sequoia, and San Mateo County hospitals. He dedicated many hours of his valuable time at several free clinics and taught health education classes at the College of San Mateo. These varied and extremely important posts which Dr. Hanfling held throughout his career made him an integral part of

health care for people of all backgrounds and needs on the San Francisco Peninsula.

Shortly after completing his medical training, Dr. Hanfling served his country with distinction as a captain in the U.S. Army at Valley Forge Army Hospital in Phoenixville, PA, during 1956 to 1958. While pursuing his demanding career, he remained active in the Army Reserve Medical Corps from 1958 to 1966.

Dr. Hanfling was not only committed to serving all who sought his expertise through a hospital, doctor's office or free clinic, he was also committed to improving the health of his community through education. Dr. Hanfling hosted and produced 26 half-hour educational programs, part of a series entitled ''Medical Update'' which was broadcast on KCSM–TV in San Mateo. These programs addressed a wide range of subjects, including coronary artery disease, birth control, exercise and health, health policy, cancer, and venereal disease. These far-reaching programs earned Dr. Hanfling an award from the American Medical Association for educational TV and radio programs.

Music was Dr. Hanfling's passion outside of medicine. Here, too, he sought to share his enjoyment of music with the community and promote the talents of local musicians. For two decades he opened his home to musicians and guests for an extensive series of chamber music and recitals that were regularly attended by friends, acquaintances and patients. Dr. Hanfling also sponsored the careers of several promising local musicians, including the up-and-coming Aurora String Quartet.

Mr. Speaker, as we say goodby to Dr. Hanfling, we are reminded of the difference one dedicated individual can make through his professional and extracurricular pursuits. I consider myself extremely fortunate to be among the many individuals who benefited from his wisdom and kindness. Stanley, we all send you our love and appreciation.

FOLLOW-ON FORCE IN BOSNIA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1996

Mr. HAMILTON. Mr. Speaker, during a hearing in the International Relations Committee last month on the situation in Bosnia, Under Secretary of State Peter Tarnoff was asked to address the important issue of what will happen in Bosnia after the NATO-led peace implementation force, IFOR, is withdrawn, starting after the planned Bosnian elections, scheduled for mid-September of this year.

Following the hearing I requested Under Secretary Tarnoff to respond in more detail, in writing, about the status of planning for a possible follow-on force in Bosnia. In his letter the Under Secretary emphasizes that ''The administration remains committed to completing IFOR's mission in approximately 1 year.'' He also stresses that ''the completion of IFOR's mission will not mean the end of the international community's efforts to support peace and economic reconstruction in Bosnia. The United States will continue to assist in these important international efforts.''

I am inserting the full text of Under Secretary Tarnoff's letter in the RECORD so that Members of Congress can better understand the administration's approach to the critical issue of the timing of the withdrawal of IFOR and the planning for a possible follow-on force.

U.S. DEPARTMENT OF STATE,
Washington, DC, May 15, 1996.

Hon. LEE H. HAMILTON,
U.S. House of Representatives.

DEAR CONGRESSMAN HAMILTON: Under Secretary Tarnoff has requested that I respond to your letter of April 25, in which you asked about the status of planning for a follow-on force in Bosnia.

From the beginning of his Administration the President made clear that he was prepared to support the deployment of U.S. forces in conjunction with a peace agreement in Bosnia. Following the successful negotiation of the Dayton accords, the President indicated his intention to deploy approximately 20,000 U.S. ground troops as part of the NATO-led IFOR. The Dayton Accords, United Nations Security Council Resolution 1031 authorizing IFOR, and the NATO Operational Plan governing IFOR's deployment set forth a duration of ''approximately one year'' or ''about 12 months''. As the President stated in his November 27, 1995, address to the nation, ''Our Joint Chiefs of Staff have concluded that this mission should and will take about one year.'' The President subsequently wrote to House Speaker Gingrich on December 21, saying, ''And I expect, that the military mission can be accomplished in about a year.'' This has been—and remains—Administration policy.

On April 30, the President approved an approach regarding the drawdown of troops in Bosnia consistent with previous Administration and NATO policy. Specifically, it recognized that IFOR will play a crucial role in providing security for upcoming Bosnian elections, which, according to the Dayton Agreement, are to be held by mid-September. To that end, IFOR should remain at full strength through the Bosnian elections. The pace and extent of the drawdown in the period between the Bosnian elections and the conclusion of IFOR's mandate on December 20 will be determined by General Joulwan and other senior NATO military officials, in consultation with NATO's North Atlantic Council.

IFOR should retain until December 20, 1996 sufficient forces to accomplish its full mission and protect the lives of its personnel including U.S. troops. This approach will mean that IFOR would complete its drawdown in the weeks after December 20, on a schedule and in a manner consistent with logistical requirements and the safety of our troops.

The Administration remains committed to completing IFOR's mission in approximately one year. It was with this in mind and in the context of discussions of the presence of the IPTF or others in a post-IFOR environment in which Under Secretary Tarnoff stated that ''we are not contemplating any organized military force.''

In the referenced New York Times piece, Secretary Perry noted, ''As we get nearer that December date we're going to have to take a look and say, 'What is the likelihood of a war starting up again?' If we conclude that there's a danger, then the question that NATO will have to answer is what kind of force deployment do we need to provide an adequate deterrence for that not happening.'' It is only prudent that this Administration and NATO should review, as we approach fall, the specific security situation in Bosnia. However, neither this Administration nor NATO is planning at this time to deploy a follow-on force in Bosnia.

Of course, the completion of IFOR's mission will not mean the end of the international community's efforts to support peace and economic reconstruction in Bosnia. Numerous tasks will continue, including the return of refugees and displaced persons, arms control and military stabilization, removal of land mines, investigations by the International Criminal Tribunal, and the mending of civil, political, and economic institutions damaged or destroyed by the war. The United States will continue to assist in these important international efforts.

Thank you for forwarding your concerns with respect to these important issues. I hope you have found this helpful.

Sincerely,

BARBARA LARKIN,
Acting Assistant Secretary for Legislative Affairs.

COMMONSENSE PRODUCT LIABILITY REFORM ACT OF 1996—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 104–207)

SPEECH OF

HON. BILL PAXON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. PAXON. Mr. Speaker, the long overdue reforms contained in H.R. 956 will restore fairness and efficiency to our Nation's legal system, by instituting a series of modest reforms to our Nation's product liability laws.

A majority of Americans believe that our Nation's legal system is out of control and is in need of serious reform. As our courts become clogged with frivolous lawsuits, those Americans who have been truly injured must wait months, sometimes years, for their cases to be heard.

Our current legal system actually denies justice to those Americans who need it most. This legislation will put justice back in our justice system.

I have been a strong supporter of H.R. 956 since it was first considered in the House Commerce Committee, on which I serve.

Should this override attempt be unsuccessful, I am confident that next year Congress will consider and approve not only product liability reform legislation, but comprehensive reform of our Nation's legal system.

CONGRATULATIONS TO KENNESAW STATE COLLEGE MARKETING STUDENTS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1996

Mr. GINGRICH. Mr. Speaker, I want to recognize the students of the Kennesaw State College Marketing and Professional Sales Department for their hard work as part of the 1996 General Motors Marketing Internship Class in developing ''Escape into Excitement Days'' from May 20 to 24, 1996.

This internship has created a successful partnership between businesses and students so that young men and women gain invaluable experience in developing and implementing an actual marketing campaign.

Again, I want to commend the outstanding efforts of these hardworking, exceptionally

bright, and dedicated students, and I wish them all the success in their future endeavors.

HONORING CHARLES P. ''CHUCK'' DOYLE ON HIS 80TH BIRTHDAY

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1996

Mr. COX of California. Mr. Speaker, 80 years ago, on May 26, 1916, barnstorming daredevil Charles P. ''Chuck'' Doyle was born in Minneapolis, MN. Eighty years later, Chuck is still creating aviation history.

He bought his first airplane while still a Washburn High School student. It was an OX–5 powered Travel Air biplane. With this—and his motorcycle—he started on his path as an unofficial daredevil and official aviation pioneer.

In 1935, Chuck Doyle made his first parachute jump as part of the Thrill Day Air Show at the Minnesota State Fair. Two years later, he began performing regularly at shows and fairs around the country. Whether on wings or wheels, he loved to excite his audiences. He ramp-jumped his Harley over lines of cars, magically survived carefully planned head-on auto collisions and boardwall crashes, piloted his motorcycle through tunnels of flame—and memorably, during a thrill show in Mississippi in 1937, even crashed a plane into a clapboard house.

He worked as a civilian pilot for Northwest Airlines during the Second World War—honoring their requirement that he quit the thrill shows, even in his spare time. It was during this time, however, that Chuck first began skywriting and towing aerial banners—a pursuit he maintained until recently.

The great airplanes that the U.S. military retired after World War II provided Chuck Doyle with a new opportunity: acquiring surplus warbird aircraft, refurbishing and restoring them, displaying them in museums, and even giving them a new life in the air. Three of his masterpieces have been placed on display in the U.S. Air Force Museum at Dayton, OH.

His talent for restoration was never more in evidence than when he reconstructed a replica of the vintage Curtis Pusher—one of the earliest American planes, originally designed and built in 1910. Chuck's handiwork wasn't just historically authentic and interesting to look at. In 1985, he took his exact replica of this 75-year-old vintage aircraft to the Minneapolis-St. Paul International Airport, where the authorities agreed to close down one of the main runways for his exclusive use. He then proceeded successfully to pilot the only truly authentic Curtis Pusher replica ever to fly. The plane now hangs on exhibit in the main terminal of that airport.

Most mortals can only marvel at the way Chuck Doyle so often succeeded in his relentless pursuit of the nearly impossible. But even Chuck couldn't beat city hall, when it came to preserving his cherished private airstrip. Still, his much-publicized—if ultimately losing—battle with the city of Apple Valley, MN, extended his record of providing thrills and excitement, this time for the newspaper-reading public.

As a lifelong member of dozens of aviation organizations, Chuck Doyle has contributed in thousands of ways to the progress of the era of manned flight. In 1992, his lifetime of contributions was in turn recognized by his peers, by historians, and by civic leaders when he was inducted to the Minnesota Aviation Hall of Fame. There, he shares the company of a pantheon of internationally famous aviators, among whom are two other well-known ''Charleses'': Charles ''Speed'' Holman—for whom Holman Field is named—and Charles Lindbergh.

His son, Charles Jr., also known as ''Chuck,'' is an airline pilot and aircraft owner who is carrying on the family tradition.

It is no easy feat to attempt to summarize 80 years of Charles senior's life. But it is easy to observe one characteristic of overriding significance. More than a crazy daredevil stunt man who survived it all, more than a distinguished airline pilot and professional aviator who has logged over 30,000 hours in the air, entirely accident free—more than an air historian, aviation pioneer, and dedicated father—Chuck Doyle is a great American. His boundless spirit and courageous example remind us of the quintessential character of our country, and of what Thomas Jefferson must surely have had in mind when he described our national dedication to the pursuit of happiness. Chuck has given thousands of Americans happiness during a distinguished and exciting career. As he celebrates his 80th birthday, Mr. Speaker, I know that all of the Members of this Congress join in wishing him every happiness in return.

GALE AND GERALD MESSERMAN: RECIPIENTS OF AMERICAN ORT'S JURISPRUDENCE AWARD

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1996

Mr. STOKES. Mr. Speaker, on May 21, 1996, members of the Cleveland chapter of the American Organization for Rehabilitation Through Training [ORT] will hold a tribute dinner in honor of two residents of my congressional district. Attorneys Gale and Gerald Messerman are the first northeast Ohio residents to be awarded the ORT Jurisprudence Award. This distinguished award recognizes the Messermans for their extraordinary contributions to the enhancement of the community and to the pursuit of justice. As the Honorary Chairperson for the tribute dinner, I am proud to salute the Messermans on this occasion.

The Organization for Rehabilitation Through Training [ORT] was founded in 1880 in Tsarist, Russia for the purpose of providing critical job skills to the poor of Eastern Europe. Today, the organization is the largest nongovernmental education and training organization in the world. Over the years, ORT has trained over 3 million students, helping both immigrants and American-born individuals to locate work in an ever-changing job market. The ORT network includes junior and senior high schools, technical high schools, junior and senior colleges, apprenticeship centers, and adult education classrooms. The Greater Cleveland area and communities around the globe benefit as a result of the organization's strong commitment to assisting others.

The Jurisprudence Award was created by American ORT to recognize and honor members of the legal community. These are individuals whose professional lives have substantially improved the quality of life for their fellow human beings; they are role models for others to emulate; and they have established new directions for the enhancement of their profession and their community. Gale and Gerald Messerman are more than deserving of this special recognition. The Messermans have not only distinguished themselves within the legal profession, but they are committed to helping others achieve. They share the guiding principle upon which ORT was founded—that the highest form of charity is to help people help themselves.

Mr. Speaker, since 1980, Gale and Gerald Messerman have practiced law at Messerman & Messerman, a leading firm in the Cleveland area. Gale received her legal education at Southern Methodist University School of Law. She is a former Associate Professor of Law and former Dean for Student Affairs at the Cleveland-Marshall College of Law. At the law school, Gale also taught courses in Civil Procedure, Urban Housing, and Poverty and the Law. Gale also established a civil clinical education program at the school. Attorney Messerman has also been employed with the Case Western Reserve University School of Law, where she instructed students in law and served as assistant director of the Clinical Legal Education Program.

Attorney Gerald Messerman is a graduate of the Georgetown University Law Center. His career has included serving as assistant and associate professor of law at the Ohio State University College of Law. He taught classes in evidence, family law, legal ethics, law and psychiatry, and seminars relating to the legal problems of the poor. He was also successful in establishing a clinical program for the representation of those who are poverty stricken. Attorney Messerman is also a former assistant U.S. attorney for the District of Columbia.

Gale and Gerald Messermans have been successful in reaching out and, indeed, reaching back, to make certain that students reach their fullest potential. They are active in teaching, and they serve on the boards of organizations that benefit students of all ages. Most important, they are individuals who give freely of their time and talents.

Mr. Speaker, I have enjoyed a close friendship with attorneys Gale and Gerald Messerman over the years. They are individuals of the highest caliber whom I respect and admire. Gale and Gerald are most deserving of the American ORT's Jurisprudence Award, and I take special pride in saluting them on this occasion. I am also pleased to note that proceeds from the ORT tribute dinner will be used to create a scholarship fund honoring the Messermans. It represents a fitting tribute to these dedicated individuals who have given so much to helping others.

CONGRATULATING PRESIDENT LEE TENG-HU ON HIS INAUGURATION AS THE FIRST DEMOCRATICALLY ELECTED PRESIDENT OF THE REPUBLIC OF CHINA ON TAIWAN

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1996

Mr. LANTOS. Mr. Speaker, I wish to urge my colleagues to join me in extending the warmest congratulations of the United States Congress to Lee Teng-hui, newly elected President of the Republic of China on Taiwan, on his inauguration today as the first directly elected President in Chinese history. President Lee and the people on Taiwan deserve our most heartfelt congratulations for so marvelously achieving this ultimate democratic goal, a free and fair and open Presidential election.

Mr. Speaker, ever since I sponsored the legislation which passed the Congress nearly unanimously to urge that the administration grant a visa to President Lee to attend a reunion at his alma mater, Cornell University, in June 1995, the world has focused its attention on Taiwan's economic and political achievements. After President Lee's visit to Cornell, the People's Republic of China began a concerted campaign of intimidation and violence toward Taiwan in a vain effort to deny the reality of Taiwan's ever-growing prosperity and democratic development. During China's war of words and military intimidation aimed at Taiwan, President Lee fiercely refused to be cowed. For his steadfast defense of Taiwan's security and international stature, the people on Taiwan rewarded him with a landslide victory in their first direct Presidential election. For students of Chinese history, this election is a watershed event whose repercussions for the future of democracy in China will be deeply felt for generations to come.

Mr. Speaker, in all probability, the regime in Beijing will continue to writhe in anger at the vibrant democratic society whose government is based on principles of freedom and human rights and which now exists just across the Taiwan Strait. As China seeks to escape responsibility for its appalling human rights record and its flaunting of international trade agreements, Taiwan will likely remain a lightning rod for Beijing's nationalist saber rattling. What is certain, however, is that Taiwan has earned and will have the support of the United States Congress and the American people as it faces the challenges posed by its aggressive neighbor. It is in the spirit of mutual respect for democracy and freedom that United States-Taiwan relations have continued to blossom. On this auspicious occasion, the inauguration of the first directly elected President in Chinese history, I urge my colleagues to join me in expressing the Congress' warmest wishes for continued success to President Lee Teng-hui.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, May 21, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 22

9:30 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings on S. 1166, to improve the registration of pesticides, to provide minor use crop protection, and to improve pesticide tolerances to safeguard infants and children.

SR–332

Banking, Housing, and Urban Affairs

To hold hearings on S. 1511, to impose sanctions on Burma.

SD–538

Commerce, Science, and Transportation

To hold open and closed hearings on broadcast spectrum issues (closed in S–407, Capitol).

SR–253

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD–366

Governmental Affairs

Permanent Subcommittee on Investigations

To hold hearings to eamine security in cyberspace.

SD–342

Rules and Administration

To resume hearings on issues with regard to the Government Printing Office, focusing on public access to Government information in the 21st century and GPO's depository library program.

SR–301

Small Business

Business meeting, to mark up proposed legislation to strengthen, expand, and improve the Small Business Investment Company program, and to consider the nomination of Ginger Ehn Lew, of California, to be Deputy Administrator of the Small Business Administration.

SR–428A

10:00 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Department of Defense, focusing on the United States Pacific Command.

SD–192

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for foreign assistance programs, focusing on peacekeeping and international organizations and programs.

SD–G50

Foreign Relations

Near Eastern and South Asian Affairs Subcommittee

To hold hearings to examine prospects for peace in Afghanistan.

SD–419

2:30 p.m.

Commerce, Science, and Transportation

To hold hearings on S. 1645, to regulate United States scientific and tourist activities in Antarctica and to conserve Antarctic resources, and related programs.

SR–253

MAY 23

9:30 a.m.

Labor and Human Resources

Children and Families Subcommittee

To hold hearings to examine methods of encouraging responsible fatherhood.

SD–430

Special on Aging

To hold hearings to examine how the Supplemental Security Income and the Disability Income programs can be reformed to encourage more people to enter into productive employment.

SD–562

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for foreign assistance programs.

SD–106

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Congressional Budget Office and the Capitol Police.

S–128, Capitol

Governmental Affairs

To resume hearings to examine the status of the modernization of the Internal Revenue Service tax modernization system.

SD–342

Judiciary

Business meeting, to consider pending calendar business.

SD–226

Veterans' Affairs

To hold hearings on miscellaneous veterans bills, including S. 281, S. 749, S. 1131, S. 1342, S. 1711, S. 993, S. 994, S. 995, S. 996, S. 1748, S. 1749, S. 1750, S. 1751, S. 1752, and S. 1753.

SR–418

2:00 p.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Environmental Protection Agency.

SD–138

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the National Institutes of Health, Department of Health and Human Services.

SD–192

Appropriations

Commerce, Justice, State, and the Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the United Nations and the United States Information Agency.

S–146, Capitol

JUNE 4

10:00 a.m.

Judiciary

To hold hearings on S. 1237, to revise certain provisions of law relating to child pornography.

SD–226

JUNE 5

9:30 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings to examine proposals to reform the Commodity Exchange Act.

SR–328A

JUNE 11

9:30 a.m.

Indian Affairs

To hold oversight hearings on the implementation of the Indian Trust Fund Management Reform Act of 1994, and on Indian trust funds management by the Department of the Interior.

SR–485

JUNE 13

2:00 p.m.

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the White House Office of National Drug Control Policy.

SD–192

JUNE 18

9:30 a.m.

Agriculture, Nutrition, and Forestry

Research, Nutrition, and General Legislation Subcommittee

To hold hearings to review a report to the Department of Agriculture by the Advisory Committee on Agricultural Concentration, and to examine other livestock industry issues.

SR–328A

SEPTEMBER 17

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.

334 Cannon Building

POSTPONEMENTS

MAY 23

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings to examine issues relating to broadcast spectrum.

SR–253

Monday, May 20, 1996

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S5305–S5396

Measures Introduced: Seven bills were introduced, as follows: S. 1778–1784. **Pages S5378–79**

Measures Reported: Reports were made as follows:

S. 1578, to amend the Individuals with Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, with an amendment in the nature of a substitute. (S. Rept. No. 104–275) **Page S5378**

Congressional Budget: Senate continued consideration of S. Con. Res. 57, setting forth the congressional budget for the United States Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, taking action on amendments proposed thereto, as follows: **Pages S5305–76, S5394–96**

Pending:

Boxer Amendment No. 3982, to preserve, protect, and strengthen the Medicaid program by controlling costs, providing State flexibility, and restoring critical standards and protections, including coverage for all populations covered under current law, to restore $18 billion in excessive cuts, offset by corporate and business tax reforms, and to express the sense of the Senate regarding certain Medicaid reforms. **Page S5305**

Wyden/Kerry Amendment No. 3984, to express the sense of the Senate regarding revenue assumptions. **Page S5306**

Wellstone Amendment No. 3985, to express the sense of the Senate on tax deductibility of higher education tuition and student loan interest costs. **Page S5306**

Wellstone/Kerry Amendment No. 3986, to express the sense of the Senate that funds will be available to hire new police officers under the Community Oriented Policing Service. **Page S5306**

Wellstone Amendment No. 3987, to express the sense of the Senate that Congress will not enact or adopt any legislation that would increase the number of children who are hungry or homeless. **Page S5306**

Wellstone Amendment No. 3988, to express the sense of the Senate with respect to maintaining current expenditure levels for the Low Income Home Energy Assistance Program for fiscal year 1997. **Page S5306**

Wellstone Amendment No. 3989, to express the sense of the Senate with respect to the interrelationship between domestic violence and welfare. **Page S5306**

Kerry Amendment No. 3990, to restore proposed cuts in the environment and natural resources programs, to be offset by the extension of expired tax provisions or corporate and business tax reforms. **Page S5306**

Kerry Amendment No. 3991, to increase the Function 500 totals to maintain levels of education and training funding that will keep pace with rising school enrollments and the demand for a better-trained workforce, to be offset by the extension of expired tax provisions or corporate and business tax reforms. **Page S5306**

Kyl Amendment No. 3995, to express the sense of the Senate regarding a supermajority requirement for raising taxes. **Pages S5306, S5331**

Kyl Amendment No. 3996, to providing funding for the Low Income Home Energy Assistance Program through fiscal year 2000. **Pages S5306, S5331**

Kennedy Amendment No. 3997, to express the sense of the Congress that the reconciliation bill should maintain the existing prohibition against additional charges by providers under the Medicare program. **Page S5306**

Kennedy Amendment No. 3998, to express the sense of the Congress that the reconciliation bill should not include any changes in Federal nursing home quality standards or the Federal enforcement of such standards. **Page S5306**

Kennedy Amendment No. 3999, to express the sense of the Congress that provisions of current Medicaid law protecting families of nursing home residents from experiencing financial ruin as the price of needed care for their loved ones should be retained. **Page S5306**

Kennedy Amendment No. 4000, to express the sense of the Senate relating to the protection of the wages of construction workers. **Page S5306**

Byrd Amendment No. 4001, to increase overall discretionary spending to the levels proposed by the

President, offset by the extension of expired tax provisions or corporate and business tax reforms. **Page S5306**

Lott/Smith Amendment No. 4002, to express the sense of the Congress regarding reimbursement of the United States for the costs associated with Operations Southern Watch and Provide Comfort out of revenues generated by any sale of petroleum originating from Iraq. **Pages S5306, S5374–75**

Simpson/Moynihan Amendment No. 4003, to express the sense of the Senate that all Federal spending and revenues which are indexed for inflation should be calibrated by the most accurate inflation indices which are available to the Federal government. **Page S5306**

Graham Amendment No. 4007, to create a 60 vote point of order against legislation diverting savings achieved through Medicare waste, fraud and abuse enforcement activities for purposes other than improving the solvency of the Medicare Federal Hospital Insurance Trust Fund. **Page S5306**

Ashcroft Modified Amendment No. 4008, to provide for an income tax deduction for the old age, survivors, and disability insurance taxes paid by employees and self-employed individuals. **Pages S5306–12**

Gramm Amendment No. 4009, to express the sense of the Congress that the 1993 income tax increase on Social Security benefits should be repealed. **Pages S5312–21, S5324–25**

Brown Amendment No. 4010, to express the sense of the Senate that there should be a cap on the application of the civilian and military retirement COLA. **Page S5314**

Harkin Amendment No. 4011, to provide that the first reconciliation bill not include Medicaid reform, focusing mainly on Welfare reform by shifting Medicaid changes from the first to the second reconciliation bill. **Pages S5321–22**

Harkin (for Specter) Amendment No. 4012, to restore funding for education, training, and health programs to a Congressional Budget Office freeze level for fiscal year 1997 through an across the board reduction in federal administrative costs. **Pages S5322–24**

Bumpers Amendment No. 4013, to establish that no amounts realized from sales of assets shall be scored with respect to the level of budget authority, outlays, or revenues. **Pages S5326–34, S5339**

Bumpers Amendment No. 4014, to eliminate the defense firewalls. **Pages S5334–35, S5340–41**

Thompson Amendment No. 3981, to express the sense of the Senate on the funding levels for the Presidential Election Campaign Fund. **Pages S5335–38**

Murkowski Amendment No. 4015, to prohibit sense of the Senate amendments from being offered to the budget resolution. **Pages S5339–42**

Simpson (for Kerrey) Amendment No. 4016, to express the sense of the Senate on long term entitlement reforms. **Pages S5342–52**

Snowe Amendment No. 4017, to express the sense of the Senate that the aggregates and functional levels included in the budget resolution assume that savings in student loans can be achieved without any program change that would increase costs to students and parents or decrease accessibility to student loans. **Pages S5352–53**

Chafee/Breaux Amendment No. 4018, in the nature of a substitute. **Pages S5353–74**

Domenici (for Dole/Hatch/Helms) Amendment No. 4019, to express the sense of the Senate that the Attorney General should investigate the practice regarding the prosecution of drug smugglers. **Pages S5394–95**

Feingold Amendment No. 3969, to eliminate the tax cut. **Pages S5395–96**

Withdrawn:

Thomas Amendment No. 3974, to express the sense of the Senate supporting biennial budgeting. **Pages S5310–11**

A unanimous-consent time-agreement was reached providing for further consideration of the resolution on Tuesday, May 21, 1996. **Page S5376**

Communications: **Pages S5377–78**

Statements on Introduced Bills: **Pages S5379–82**

Additional Cosponsors: **Pages S5382–83**

Amendments Submitted: **Pages S5383–91**

Authority for Committees: **Page S5391**

Additional Statements: **Pages S5391–94**

Adjournment: Senate convened at 10:30 a.m., and adjourned at 9:23 p.m., until 9 a.m., on Tuesday, May 21, 1996. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S5376.)

Committee Meetings

(Committees not listed did not meet)

SOCIAL SECURITY REFORM—PERSONAL SAVINGS ACCOUNTS

Committee on Finance: Subcommittee on Social Security and Family Policy held hearings on proposals to create personal savings accounts under the Social Security system, receiving testimony from Senator Kerrey; Robert J. Myers, Silver Spring, Maryland, former Chief Actuary, Social Security Administration; former Delaware Governor Pete du Pont, Wilmington, on behalf of the National Center for Policy Analysis; and Stanford G. Ross, Arnold & Porter,

former Commissioner, Social Security Administration, Robert J. Shapiro, Progressive Policy Institute, and Carolyn L. Weaver, American Enterprise Institute, all of Washington, D.C.

Hearings were recessed subject to call.

House of Representatives

Chamber Action

Bills Introduced: 2 public bills, H.R. 3493–3494 were introduced. **Page H5299**

Reports Filed: Reports were filed as follows:

H.R. 3068, to accept the Request of the Prairie Island Indian Community to revoke their charter of incorporation issued under the Indian Reorganization Act (H. Rept. 104–584);

H.R. 1227, to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employer owned vehicles, amended (H. Rept. 104–585); and

H.R. 3448, to provide tax relief for small businesses, to protect jobs, to create opportunities, and to increase the take home pay of workers (H. Rept. 104–586). **Page H5299**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designates Representative Laughlin to act as Speaker pro tempore for today. **Page H5291**

Immigration: It was made in order that the House return to the Senate H.R. 2202, to amend the Immigration and Nationality Act to improve deterrence of illegal immigration to the United States by increasing border patrol and investigative personnel, by increasing penalties for alien smuggling and for document fraud, by reforming exclusion and deportation law and procedures, by improving the verification system for eligibility for employment, and through other measures, to reform the legal immigration system and facilitate legal entries into the United States, together with the Senate amendment to the bill. **Page H5291**

Presidential Message—United States-Austria Social Security Agreement: Read a message from the President wherein he submits his Supplementary Agreement Amending the Agreement between the United States of America and Austria on Social Security—referred to the Committee on Ways and Means and ordered printed (H. Doc. 104–217). **Page H5292**

Referrals: Two Senate-passed measures were referred to the appropriate House committees. **Page H5298**

Senate Message: Messages received from the Senate appear on page H5291.

Amendments: Amendments ordered printed pursuant to the rule appear on pages H5299–H5300.

Quorum Calls—Votes: No quorum calls or votes developed during the proceedings of the House today.

Adjournment: Met at 2:00 p.m. and adjourned at 2:59 p.m.

Committee Meetings

No Committee meetings were held.

COMMITTEE MEETINGS FOR TUESDAY, MAY 21, 1996

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Agriculture, Nutrition, and Forestry, to hold hearings on the nominations of Brooksley Elizabeth Born, of the District of Columbia, to be Chairman, and David D. Spears, of Kansas, to be a Commissioner, both of the Commodity Futures Trading Commission, 8:45 a.m., SR–332.

Committee on Appropriations, Subcommittee on Foreign Operations, to hold hearings on proposed budget estimates for fiscal year 1997 for foreign assistance programs, focusing on international financial institutions, 10:30 a.m., SD–138.

Committee on the Judiciary, to hold hearings to examine the American Bar Association and its role in the selection of Federal judges, 10 a.m., SD–226.

Subcommittee on Administrative Oversight and the Courts, to hold hearings on S. 582, to provide that certain voluntary disclosures of violations of Federal laws made pursuant to an environmental audit shall not be subject to discovery or admitted into evidence during a Federal judicial or administrative proceeding, 2 p.m., SD–226.

Committee on Labor and Human Resources, to hold oversight hearings on the Corporation for National and Community Service, 9:30 a.m., SD–430.

Select Committee on Intelligence, to hold hearings on Iranian arms shipments to Bosnia, 11:30 a.m., SH–216.

NOTICE

For a listing of Senate committee meetings scheduled ahead, see page E847 in today's Record.

House

Committee on Appropriations, Subcommittee on Military Construction, to mark up appropriations for fiscal year 1997, 9:30 a.m., B–300 Rayburn.

Subcommittee on National Security, to mark up appropriations for fiscal year 1997, 2 p.m. H–140 Capitol.

Committee on International Relations, hearing on AID Whistleblower: Paul Neifert, 10 a.m., 2172 Rayburn.

Committee on the Judiciary, oversight hearing on Church fires in the South, 9:30 a.m., 2141 Rayburn.

Committee on Resources, Subcommittee on National Parks, Forests and Lands, oversight hearing on several ecoregion-based assessments currently being conducted by the U.S. Forest Service, 10 a.m., 1324 Longworth.

Subcommittee on Water and Power Resources, oversight hearing on Bonneville Power Administration operations and status of the Comprehensive Review of the Northwest Energy System, 10 a.m., 1334 Longworth.

Committee on Rules, to consider the following: H.R. 1227, to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employer-owned vehicles; and H.R. 3448, Small Business Job Promotion Act of 1996, 5 p.m., H–313 Capitol.

Joint Meetings

Conferees, on H.R. 1617, to consolidate Federal employment training, vocational education, and adult education programs and create integrated statewide workforce development systems, 4 p.m., S–207, Capitol.

Next Meeting of the SENATE

9 a.m., Tuesday, May 21

Senate Chamber

Program for Tuesday: Senate will resume consideration of S. Con. Res. 57, setting forth the congressional budget.

(Senate may recess from 12:30 p.m. until 2:15 p.m. for respective party conferences.)

Next Meeting of the HOUSE OF REPRESENTATIVES

12:30 p.m., Tuesday, May 21

House Chamber

Program for Tuesday: Consideration of the following 8 suspensions:

1. H.R. 1483, Revision of Veterans Benefits Decisions Based on Clear and Unmistakable Error;
2. H.R. 3373, Veterans' Benefits Amendments of 1996;
3. H.R. 2594, Railroad Unemployment Insurance Amendments of 1996;
4. H. Con. Res. 154, Congratulating the Republic of China on Taiwan on the Occasion of its First Presidential Democratic Election;
5. H. Con. Res. 160, Congratulating the People of Sierra Leone on the Success of their Recent Democratic Multiparty Elections;
6. H. Con. Res. 165, Saluting and Congratulating Polish People Around the World as they Commemorate the 205th Anniversary of Poland's First Constitution;
7. H. Con. Res. 167, Recognizing the Tenth Anniversary of Chornobyl Nuclear Disaster; and
8. H.J. Res. , Expressing the Sense of Congress Concerning Drug Smuggling on the Southwest border.

Consideration of H. Res. 437, rule providing for consideration of H.R. 3259, Intelligence Authorization Act for Fiscal Year 1997; and

Consideration of H.R. 3415, to Repeal the 4.3 Cent Increase in Transportation Motor Fuels Excise Tax (closed rule, 1 hour of debate).

Extensions of Remarks, as inserted in this issue

HOUSE

Cox, Christopher, Calif., E845
Funderburk, David, N.C., E843
Gingrich, Newt, Ga., E843, E844
Hamilton, Lee H., Ind., E844
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Paxon, Bill, N.Y., E844
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