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Senate

The Senate met at 9:30 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:

Gracious Lord, we begin the work of this day with awe and wonder. You have chosen and called us to know, love, and serve You. Through the years You have honed the intellect, talent, and ability You have entrusted to each of us. With providential care You have opened doors of opportunity, education, culture, and experience. Most important of all, You have shown us that daily You are ready and willing to equip us with supernatural power through the anointing of our minds with the gifts of Your spirit: Wisdom, knowledge, discernment, and vision of Your priorities.

When we ask You, You reveal Your truth and give us insight on how to apply it to specific decisions before us. We say with the psalmist, ''In the day when I cried out, You answered me, and made me bold with strength in my soul.''—Psalm 138:3.

Now, as the Senators press on to the votes and responsibilities of this day, continue to give them the boldness of Your strength in their souls, manifested in conviction and courage. In Your holy name. Amen.

RECOGNITION OF THE MAJORITY LEADER

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

Mr. LOTT. Thank you, Mr. President.

SCHEDULE

Mr. LOTT. Mr. President, for the information of all Senators, today the Senate will immediately resume consideration of Senate Concurrent Resolution 27, the first concurrent budget resolution. Senator KENNEDY will be recognized immediately to offer his amendment on tobacco taxes. Following the disposition of the Kennedy amendment, Senator GRAMM will be recognized to offer his amendment regarding deficit-neutral natural disaster relief.

Members can expect rollcall votes in relation to these amendments and others, and all Members will be notified when these votes are specifically scheduled.

I am still hopeful that the Democratic leader and I can join together in an effort to yield back additional time off the statutory time limitation, which is 50 hours, for the budget resolution and permit the Senate to complete its work on the budget resolution today.

Subsequently, Senators wishing to offer amendments to this legislation should notify the chairman of the Budget Committee or the ranking member of the Budget Committee of their intentions this morning.

Again, Senators can expect rollcall votes throughout the day. We have a good deal of other work that we need to complete before the Memorial Day recess. For instance, tomorrow we already have a time agreement for 3 hours on the Chemical Weapons Convention implementation legislation. We would, of course, like to complete this resolution and have it go to conference where, hopefully, there will be very little problem in working out the conference. Hopefully, there will be no real differences between the two bills. That is going to take a lot of discipline on our part throughout the day until we complete this legislation.

We also have at least three nominations that will require some small amount of time—judicial nominations, district courts—and three recorded votes.

The supplemental appropriations bill, or some version thereof, very likely would need to be voted on this week also.

So it is essential that we stay with it and that we complete the budget resolution today, if at all possible.

There is good news and bad news. The good news is that we made good progress yesterday. I think almost 10 hours have been used or yielded back already. We did take up some amendments and had votes. While it was difficult and delicate, the amendments were defeated by considerable margins. We need to continue to do that.

There are going to be a lot of good and appealing amendments offered today. It will be difficult to resist those. But this is a very delicately crafted budget agreement that the Republican leadership signed onto and that the Democratic leadership has agreed to. The chairman and ranking member have been working together more so than I have ever seen before. I commend them for that effort.

So I hope that we will continue to hold the line. If we start down the trail of changing the mix, where will it end? I know of several amendments that I am very attracted to. The one by Senator GRAMM obviously is very attractive. He basically says we should have some revenue-neutral process to have funds set aside for the annual disaster relief bill. We have to come every year for $5 billion, $6 billion, or $7 billion. He says we should go ahead and set that aside so we have that planned for. That is attractive. But that was not included in the budget agreement, so we probably should not do that here.

There will be an amendment offered by Senator WARNER with regard to highway funds. I would like to see more money go into the highways and bridges in America out of the highway trust fund, which is there for that purpose.

Of course, there is the amendment offered by Senator KENNEDY here with regard to child health care.

I want to emphasize that we discussed this at great length during the budget negotiations and in reaching

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

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the budget agreement. There are funds in here for that area. There are more than enough funds in that area. In fact, I think there will be a struggle to find the best way to provide those funds to the people that want to have child health care.

So it will be a very, very bad change in the makeup of this legislation and could unravel the whole budget agreement, if the Kennedy amendment is approved today.

So I hope that we start off the day by having a fine discussion about what is in the bill, and what the alternative offered is. But we need also to recognize that is a substantial increase in what is provided in this particular area. It is totally different from what was in the budget agreement that the administration agreed to.

So I urge my colleagues to keep calm. Let's keep working. But let's not start passing amendments that will change the mix of the make up of this budget agreement.

I yield the floor at this time, Mr. President.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDING OFFICER (Mr. ENZI). The clerk will report the budget resolution.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 27) setting forth the congressional budget for the United States Government for fiscal years 1998, 1999, 2000, 2001, and 2002.

The Senate resumed consideration of the concurrent resolution.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

AMENDMENT NO. 297

(Purpose: To provide affordable health coverage for low- and moderate-income children and for additional deficit reduction, financed by an increase in the tobacco tax; in addition to the amounts included in the bipartisan budget agreement for one or both of the following: (1) Medicaid, including outreach activities to identify and enroll eligible children and providing 12-month continuous eligibility; and also to restore Medicaid for current disabled children losing SSI because of the new, more strict definition of childhood eligibility; and (2) a program of capped mandatory grants to States to finance health insurance coverage for uninsured children)

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

The PRESIDING OFFICER. The clerk will report.

The clerk read as follows:

The Senator from Utah [Mr. HATCH], for himself, and Mr. KENNEDY, proposes an amendment numbered 297.

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

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

The amendment is as follows:

On page 3, line 3, increase the amount by 6,000,000,000.

On page 3, line 4, increase the amount by 6,000,000,000.

On page 3, line 5, increase the amount by 6,000,000,000.

On page 3, line 6, increase the amount by 6,000,000,000.

On page 3, line 7, increase the amount by 6,000,000,000.

On page 3, line 11, increase the amount by 6,000,000,000.

On page 3, line 12, increase the amount by 6,000,000,000.

On page 3, line 13, increase the amount by 6,000,000,000.

On page 3, line 14, increase the amount by 6,000,000,000.

On page 3, line 15, increase the amount by 6,000,000,000.

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

On page 4, line 5, increase the amount by 3,000,000,000.

On page 4, line 6, increase the amount by 4,000,000,000.

On page 4, line 7, increase the amount by 5,000,000,000.

On page 4, line 8, increase the amount by 5,000,000,000.

On page 4, line 12, increase the amount by 3,000,000,000.

On page 4, line 13, increase the amount by 3,000,000,000.

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

On page 4, line 15, increase the amount by 5,000,000,000.

On page 4, line 16, increase the amount by 5,000,000,000.

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

On page 4, line 20, increase the amount by 3,000,000,000.

On page 4, line 21, increase the amount by 2,000,000,000.

On page 4, line 22, increase the amount by 1,000,000,000.

On page 4, line 23, increase the amount by 1,000,000,000.

On page 5, line 1, increase the amount by 3,000,000,000.

On page 5, line 2, increase the amount by 6,000,000,000.

On page 5, line 3, increase the amount by 8,000,000,000.

On page 5, line 4, increase the amount by 9,000,000,000.

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

On page 23, line 8, increase the amount by 3,000,000,000.

On page 23, line 9, increase the amount by 3,000,000,000.

On page 23, line 15, increase the amount by 3,000,000,000.

On page 23, line 16, increase the amount by 3,000,000,000.

On page 23, line 22, increase the amount by 4,000,000,000.

On page 23, line 23, increase the amount by 4,000,000,000.

On page 24, line 5, increase the amount by 5,000,000,000.

On page 24, line 6, increase the amount by 5,000,000,000.

On page 24, line 12, increase the amount by 5,000,000,000.

On page 24, line 13, increase the amount by 5,000,000,000.

On page 39, line 22, increase the amount by 500,000,000.

On page 39, line 23, increase the amount by 2,000,000,000.

On page 40, line 16, increase the amount by 4,500,000,000.

On page 40, line 17, increase the amount by 18,000,000,000.

On page 41, line 7, increase the amount by 6,000,000,000.

On page 41, line 8, increase the amount by 30,000,000,000.

Mr. HATCH. Mr. President, I ask unanimous consent that the time on this amendment be allocated to me as the prime sponsor of the amendment.

The PRESIDING OFFICER. That is the order.

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

Mr. HATCH. On the Senator's time.

Mr. FORD. I don't have any time.

Mr. HATCH. I will be glad to yield to the Senator.

Mr. FORD. I want to know if this amendment is similar to 525 and 526 that you had as health care for children and a tax bill that is now combined? They are basically the same?

Mr. HATCH. It is basically geared to get us to that point. Yes.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

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

Mr. HATCH. I will.

Mr. DOMENICI. Mr. President, I want to make sure that the Senator, the prime sponsor, understands that in the unanimous-consent request following disposition of the Kennedy amendment, which I assume——

Mr. HATCH. This is not the Kennedy amendment. This is the Hatch-Kennedy amendment.

Mr. DOMENICI. That language does not preclude a second-degree amendment.

Mr. HATCH. That is correct.

Mr. DOMENICI. The Senator understands that.

Mr. HATCH. I understand that.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I sent this amendment to the desk on behalf of myself and Senator KENNEDY. This is well known as the Hatch-Kennedy amendment. I think everyone in the Senate ought to know that. It is an amendment that we have worked out over a 6-month period, or longer, and one that I think deserves consideration in every sense of that term.

The amendment that Senator KENNEDY and I offer today addresses what I consider to be a top priority of this Congress: making sure America's kids are healthy.

The Hatch-Kennedy amendment calls for an increase in the tobacco excise tax to fund additional spending for children's health insurance.

We have made enactment of a bipartisan children's health insurance bill a top priority this Congress, and plan to press forward at every opportunity if the Senate does not act in a responsible manner.

This amendment is the right thing to do, and I urge its adoption.

Specifically, our amendment would raise $30 billion in revenues through a 43-cent tobacco excise tax increase.

Twenty billion dollars will be used for services to uninsured kids, and $10 billion for deficit reduction.

We intend that the money be used for the same purposes as those outlined in the bipartisan budget agreement; that is, for Medicaid and for a mandatory capped State grant program to finance health insurance for uninsured children.

Under our amendment, $18 billion in program funding will go to the Labor Committee, and $2 billion to the Finance Committee, to be added to the $16 billion already in the budget resolution. That means each committee will get $18 billion to work on complementary programs to help the poor and near poor.

To pass this amendment—and this is an uphill battle we face—we need to have the will to do two things.

First, we must recognize that we need to help children from America's working families, as well as the poorest of the poor.

About 88 percent of uninsured children come from families where at least one parent is employed.

Don't forget that. Eighty-eight percent of these kids live in a family where one parent works, at least.

The majority of these kids will not be addressed by any Medicaid bill.

Second, in order to help these forgotten children, we need to have the courage to take on some very powerful special interests.

When we started this fight I knew that Big Tobacco would not just roll over and play dead. And they have not disappointed me.

If we demonstrate one thing by this vote today let it be this: we are sending a message today that Senator KENNEDY and I and the other supporters of this bill will stand up for children and against Big Tobacco.

Senators, who do you stand with? Joe Camel, or Joey? That is what it comes down to.

What the Senate must do today is decide whether we are going to protect Joe Camel, or whether we are going to protect Joey.

Let our votes today be the answer.

Now I am certain that those speaking in opposition to our amendment will offer a lot of complicated reasons why our amendment is deficient.

But as they talk, ask yourself who should be protected: Joey or Joe Camel?

Sometimes the logic of something is just so simple that no amount of obfuscation, legal mumbo-jumbo, technical economic jargon, and procedural objections can fool the American public.

I expect that some will come to the floor today and say that this budget resolution is the wrong time and place for this legislation.

One of their objections will be that the bill includes $10 billion in deficit reduction. Some will argue that this is not needed in a balanced budget document.

Those who make that argument simply do not take into account the fact that the interest payments on the accumulated annual deficits—the $6 trillion national debt—now consume 15% of annual Federal spending. This is as much as we spend for our national defense.

Having managed the floor debate for the balanced budget amendment that fell 1 vote short of the 67 necessary votes, I have a special place in my heart for the ''LD'' part of the CHILD bill: lowering the deficit.

Once again, think of Joe Camel and Joey.

Frankly, as a conservative Republican I am proud to have convinced so many Democrats to cosponsor legislation that provides $1 for deficit reduction for every $2 devoted to program costs. If this model is adopted in other areas, not only will we more quickly reach the goal of a balanced budget, but we will also be better able to face the formidable challenges of entitlement reform and financing the national debt.

Our amendment has two very basic and extremely important goals.

The Hatch-Kennedy healthy kids amendment benefits American families, working families so that they can get health care. The healthy kids amendment helps reduce the deficit and reduce our debt service requirements.

Our amendment will help millions of kids get a healthy start in life. As it stands now, we know that too many American children do not get the benefits of health insurance.

The General Accounting Office recently made a number of important observations about this problem. In House testimony, the GAO said:

> In summary, we have found that while most children have health insurance, almost 10 million children lack insurance. Between 1989 and 1995, the percentage of children with private coverage declined significantly—part of an overall decline in coverage of dependents through family health insurance policies.

The GAO concluded:

> Had this decrease not occurred, nearly 5 million more children would have had private health insurance.

From these observations of GAO, I think it is fair to say that there is a big problem in the area of children's health insurance, and unless we do something about it, it is bound to get bigger.

Who are these 10 million children? These uninsured kids come from working families. At least 88 percent of those kids come from families where at least one parent is working. Many live in families whose income is just above the Medicaid limit, but they do not make enough money to provide health insurance for their kids.

Who are the Hatch-Kennedy kids? I will tell you who they are. They are, in large part, the children of good, hard-working families who make too much for Medicaid and not enough to buy their own health insurance.

This chart shows you that there is a pronounced spike in the number of uninsured Americans who live in that $20,000 to $30,000 working-class income bracket. This is the family income range of many of these families who stand to benefit from the Hatch-Kennedy amendment.

It is clear to this Senator that there is a problem to be solved. These are uninsured Americans.

Some are saying we do not need this amendment. The budget negotiators did a good job, in my opinion, in including a significant amount of new spending for children's health—$16 billion in this budget resolution. That is a good start, and I praised them for it. No question about it. But the fact is there are about 10 million kids in the United States without health insurance, and I believe that the budget resolution probably will not cover even half of them.

I think it is important that my colleagues understand the Congressional Budget Office is coming in with very conservative estimates on the number of children who will be served under various congressional proposals. For example, the CBO, Congressional Budget Office, has estimated that the Medicaid 12-month, continuous eligibility proposal would cost $14 billion alone if implemented by every State. That alone is almost all of the money in this budget resolution. Or, if you look at it another way, the Federal share of Medicaid costs for a child is about $860 on average this year. According to the Employee Benefit Research Institute, there are 4.7 million uninsured children whose parents make less than 125 percent of the Federal poverty level. That is $19,500 for a family of four.

How can they afford insurance? By simple calculation, to cover those kids under Medicaid would cost $4.2 billion, about $1 billion more a year than is included in this budget resolution, and that is just the Medicaid kids. There are 7 million here who are not. And this would leave the vast majority of children of working parents under 125 percent of poverty level uncovered.

While I admit $16 billion is a substantial start and I commend my colleagues on the Budget Committee, it is just not enough to do the whole job.

Many of us are also cosponsors of the Chafee-Rockefeller-Jeffords-Breaux CHIPS bill, which is estimated to cost at least $15 billion, perhaps even more. This Medicaid bill is targeted to help 5 million kids, including the 3 million or so Medicaid-eligible children who are not enrolled because they do not know enough to get enrolled.

We see these two bills as compatible. The CHIPS bill improves basic Medicaid, and our bill would be added on top of that to take care of these uninsured kids who do not qualify. There obviously is a close connection between the two. That is why in our amendment we decided to divide the money equally between each of the two committees, Labor and Finance, and to work out an integrated approach.

Let me also take a few minutes to explain my views about using a tobacco

tax as the revenue source for our amendment. There can be no doubt that smoking and tobacco use are major public health problems. By any measure they are costly.

Smoking is our Nation's No. 1 preventable health cause of death. There are about 48 million Americans who smoke. About 2 million Americans use other tobacco products like chewing tobacco. There are 3 million kids who smoke.

Consider these smoking facts. Smoking causes cancer and is addictive. One out of five cancers is caused by smoking; four out of five lung cancers are caused by smoking; 3,000 kids are starting to smoke every day; 50 percent of all smokers begin before age 15, 90 percent before the age 18; 419,000 American smokers die annually. Just think about it. Of those 3,000 young Americans who start smoking every day, at least half of them are going to become nicotine addicts.

Tobacco accounts for more deaths than homicide, car and airplane accidents, alcohol, heroin, crack and AIDS combined. In fact, cigarettes are a major cause of fire fatalities in the United States. In 1990, cigarettes were responsible for about one-quarter of all deaths associated with residential fires. This represented over 1,000 deaths in our society.

Every day nearly 3,000 young Americans become regular smokers. Eventually, 1,000 will die early from tobacco-related diseases. Unfortunately, cigarette smoking is on the rise among the young. About 8 in 10 smokers begin to use tobacco before age 18 and about one-half of all smokers started at age 14 or earlier.

According to a 1994 CDC report, tobacco costs our society $100 billion annually—$50 billion in direct medical costs. Of 24 billion cigarette packs sold in 1993, $2.06 per pack in medical care costs. Of this, 89 cents was paid by public sources; $10 billion Medicare, $5 billion Medicaid, $4.75 billion other Federal, and $16.75 billion higher insurance premiums. Just think about that.

The price of cigarettes devoted toward taxes has slipped over the last three decades and, even with the increase we propose today, will actually be lower proportionately once this bill is enacted than it was in 1964 when Surgeon General Luther Terry reported for the first time that smoking causes cancer.

As a conservative, I am generally opposed to tax increases. I firmly believe that the Federal Government should spend less and that the American people should keep more of their money that they earn in our economy. Yet the statistics about tobacco use and costs that I cited above, I believe, make the case that tobacco products are imposing external costs onto society that are not adequately reflected in the price of these inherently dangerous products. Simply stated, the producers and consumers of tobacco products are not paying for the full costs of this product.

When I balance the opportunity that we have in terms of helping to provide health insurance and services for children, coupled with the significant deficit reduction component against my natural aversion to raising taxes, I come down in favor of this financing mechanism with the tobacco tax or, as I call it, a user fee because only those who smoke are going to pay this tax. And 50 percent of them, according to the recent polls, are for this tax realizing that smoking causes a lot of detriment to society.

If we are going to commit ourselves to addressing the problem of adequate health care for children, then it is essential that we identify how this program is going to be funded.

I knew I was going to take the heat on this one, but I strongly believed that it was the fiscally responsible thing to do, and I still think this is the case.

Accordingly, let me pose to my colleagues this question. What do you believe is a better offset? From what program do you suggest we take the money? Now, I am willing to listen and discuss this issue but, quite frankly, I have not heard from anybody concerning a viable alternative financing source.

Let us get to the real issue here. Smoking is dangerous for our public health, and it is dangerous for our economy. It hurts the kids we are trying to help. That is the crux of our amendment here today.

Many of the critics of our proposal have seized on this amendment today to express concerns which were raised earlier about the Child Health Insurance and Lower Deficit Act. A lot of those charges against the bill are in error, as I am prepared to debate here today. But the fundamental question today is not should we pass the Hatch-Kennedy child bill. Rather, the more pertinent question before the body is should we do more for children's health?

The answer, totally clear to this Senator, is ''most definitely.'' I consider children's health to be a top priority issue for this Congress. I think the American people expect that of us.

My colleagues may be interested in a Wall Street Journal-NBC News poll taken between April 26 and 28 of this year. The question was posed as follows:

> Two Senators, a Republican and a Democrat, have proposed increasing cigarette taxes by 43 cents a pack and giving much of the money raised to help States provide health insurance for uninsured children. Based on this description, do you favor or oppose this plan?

The response was astounding. I ask unanimous consent that it be printed in the RECORD.

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

WALL STREET JOURNAL/NBC NEWS POLL, APRIL 26–28, 1997

Question: Two Senators, a Republican and a Democrat, have proposed increasing cigarette taxes by 43 cents a pack, and giving much of the money raised to help states provide health insurance for uninsured children. Based on this description, do you favor or oppose this plan?

[In percent]

	Favor	Oppose	Not sure
All adults	72	24	4
Men	67	30	3
Women	76	20	4
Northeast	73	20	7
Midwest	73	26	1
South	69	28	3
West	74	23	3
Whites	70	26	4
Blacks	80	16	4
Age 18 to 34	73	25	2
Age 35 to 49	74	23	3
Age 50 to 64	66	30	4
Age 65 and over	72	21	7
Under $20,000 income	74	23	3
$20,000 to $30,000	76	21	3
$30,000 to 50,000	70	28	2
Over $50,000	70	26	4
Urban	76	21	3
Suburb/towns	70	26	4
Rural	70	28	2
Registered voters	73	23	4
Non-Registered adults	65	32	3
Democrats	79	18	3
Republicans	67	29	4
Independents	69	27	4
Clinton voters	80	17	3
Dole voters	64	31	5
Liberals	79	19	2
Moderates	79	19	2
Conservatives	64	31	5
Professionals/Managers	76	21	3
White collar workers	77	20	3
Blue collar workers	62	35	3
High School or less	66	30	4
Some College	75	22	3
College graduates	75	21	4

Mr. HATCH. Mr. President, 72 percent of all adults responded that they favor this proposal and only 24 percent were opposed; 67 percent of all men approved of this proposal and 76 percent of all women were in favor. The results were remarkably consistent throughout each geographic region in the United States, across age groups and, indeed, income groups.

The point is simple. This is an idea whose time has come. So to those who believe there is a better way to go, I earnestly solicit your views. Indeed, I will make an offer to every Member in this body. I want to work with each of you and with our leadership to address this issue in a responsible way. If changes need to be made, if we need to move toward a middle ground in order to get a proposal enacted, I will be an advocate for these changes. It is for this reason that Senator KENNEDY and I initiated our discussions on this issue several months ago.

The fact is that Senator KENNEDY and I approach issues like these from vastly different ends of the political spectrum. That perhaps is what strengthens the product of our discussions on those issues, the fact that we can find common ground. I believe we desperately need to find that bipartisan common ground on an issue like child health insurance, an issue which matters to so many of all of our constituents.

I think one of the lessons we have learned in the last 18 months is that the American public believes Congress is unnecessarily politicizing issues and sandbagging legislation in areas which beg for action. Children's health is an obvious example. I caution my colleagues not to be ashamed to work in a

bipartisan manner. Working across the aisle and knitting together political coalitions in order to get things done is an element of leadership, and I think it is what the public expects of all of us. I think that our approach is a true bipartisan partnership. Public health leaders back this approach.

Six former Cabinet Secretaries of HHS or its predecessor, HEW, representing all Presidential administrations back to the Nixon administration support our amendment. I thank Secretaries Elliot Richardson, David Mathews, Joseph Califano, Richard Schweiker, Otis Bowen, and Louis Sullivan for their support and leadership in moving this legislation.

I also want my colleagues to know that former Surgeons General C. Everett Koop, Julius Richmond, Paul Erlich, and Jesse Steinfield are backing this effort.

Today is the time for we politicians to take the advice of these leaders in public health and vote to increase the tax on tobacco users in order to help children. Indeed, the budget compromise and the child bill plus the public's heightened sense of concern about the perils of tobacco are coming together to present a rare and historic opportunity for our society to help children get health insurance, further discourage tobacco use, especially among our young people, and target a sizable $10 billion for deficit reduction.

This is a unique time, and we should make the most of it. I believe that we can and should strengthen Medicaid and create a new program for those children from working families who are not Medicaid eligible. That is what our amendment is intended to do.

I will not use up all our time. Let us just keep this simple. Vote for Joey, not for Joe Camel. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KENNEDY. I yield myself 10 minutes.

Mr. President, I ask unanimous consent that Lauren Ewers be given privileges of the Senate floor during the pending debate on the budget resolution.

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

Mr. KENNEDY. Mr. President, first of all, I commend my friend and colleague, Senator HATCH, for explaining the thrust of this legislation and the range of support that we have for it and the importance of it for working families. Let me just continue in the presentation.

Mr. President, I join Senator HATCH in offering this amendment to guarantee a healthy start in life for every American child. Our amendment to the budget poses a clear choice for every Senator. Whose interests do you care about—the interests of America's children—or the interests of the big tobacco companies? Are you for Joe Camel and the Marlboro Man, or millions of children who lack adequate health care?

Our amendment will make the Hatch-Kennedy children's health insurance plan part of the budget. Our goal is to make health insurance accessible and affordable for every child. The plan is financed by an increase of 43 cents a pack in the cigarette tax. That increase has the additional important benefit of reducing smoking by children.

Our plan has broad bipartisan support—because health care for children is not a Republican issue or a Democratic issue. It is a human issue. Six former Secretaries of the Department of Health and Human Services and four former Surgeon Generals have endorsed the plan. These leaders served under Presidents Nixon, Ford, Carter, Reagan, and Bush. They all understand the importance of health insurance for children and decisive action to reduce smoking. They all understand that health care for children is an issue that should transcend political party and ideology.

We all know the crisis we are facing in children's health. Ten and a half million children in this country—1 child in every 7—have no health insurance. Over a 2 year period, 23 million children—1 child in every 3—are without health insurance for substantial periods of time.

Ninety percent of uninsured children are members of working families. Their families work hard—40 hours a week, 52 weeks a year—but all their hard work can't buy their children the health care they need, because they don't qualify for Medicaid and they can't afford to buy insurance on their own.

Too many children are left out and left behind because they are uninsured. Too many parents face a cruel choice between putting food on the table, paying the rent, and giving their children the health care they need.

For millions of children the only family doctor is the hospital emergency room. Each year 600,000 sick children do not receive any medical care, because they are uninsured. Each year, 400,000 children go without the medicine their doctors have prescribed because they have no insurance. Each year, 1½ million children go without the dental care they need, because they have no insurance. Each year, 600,000 uninsured children suffer from asthma and less than half see a physician even once.

Each month, 1 million uninsured children suffer from sore throats with high fever. If they have strep throats, it can lead to heart disease and kidney disease if it's not treated. Each year, 300,000 uninsured children have chronic, untreated ear infections. Uninsured children are 50 percent more likely to die in the hospital than other children because their parents couldn't afford the health insurance they needed.

We all know our country's shameful record on infant mortality—we rank behind 17 other industrialized countries.

The lack of health care for children plagues the education system too. Children who are sick can't study well in school. Children who cannot see the blackboard because they have no eyeglasses can't succeed in the classroom. Children who cannot hear the teacher are unlikely to learn. Children who do not get a healthy start in life are unlikely to have a healthy future. And without healthy children, our country won't have a healthy future either—because children are the country's future.

Passage of this amendment, combined with the money already included in the budget agreement, can end this crisis and make this the Congress in which we guarantee every child the opportunity for the healthy start in life that should be the birthright of every child.

A budget is about setting priorities. There is no more important priority than health care for our children.

The amendment provides the additional funds necessary to achieve our goal. It includes in the instructions to the Finance Committee the necessary adjustments to provide for a 43-cent-a-pack increase in the cigarette tax to finance the coverage. And it includes in the instructions to the Finance and Labor and Human Resources Committee the spending to implement this program.

The Hatch-Kennedy legislation includes provisions that were common to bills introduced two Congresses ago by Republicans and Democrats alike. It will make health insurance coverage more affordable for every working family with uninsured children. It does so without creating any new Government mandates—on the States, on the insurance industry, or on individuals. The program is purely voluntary.

Our legislation creates no new entitlement. Instead, it encourages family responsibility, by offering parents the help they need to purchase affordable health insurance for their children.

The bill does not create any new bureaucracies—either Federal or State. The Federal Government already collects tobacco taxes, and all States have agencies that run their Medicaid, public health, and children's health insurance programs.

Our legislation builds on what the States are already doing. Fourteen States have their own public programs on which our proposal is modeled. Another 17 States have private programs to subsidize the cost of child-only coverage for low-income families.

Finally, our proposal builds on the private insurance industry. States choosing to participate will contract with private insurers to provide child-only private coverage. Subsidies will be available to help families purchase the coverage for their children, or to participate in employment-based health plans.

Even families not eligible for the financial assistance will be helped by this plan, since children's health insurance policies will be widely available in all States as a result of this proposal.

Under our plan, $20 billion over the next 5 years will be available to expand health insurance for children, and an additional $10 billion will be available for deficit reduction beyond what is provided in the budget agreement.

Paying for this program by an increase in the cigarette tax is both logical and practical. The link between smoking and children's health is obvious. If we do nothing, 5 million of today's children will die from smoking-related illnesses.

For years, tobacco companies have cynically targeted the Nation's children. It is appropriate now to ask those companies and smokers to make a contribution to the cost of health insurance for children. By providing a specific financing source to cover the cost of the program we are doing the fiscally responsible thing.

Some will oppose this legislation on the grounds that the $16 billion already included in the budget over the next 5 years is enough. But the fact is, the $16 billion is barely enough to cover the 3 million uninsured children already eligible for Medicaid but not participating. In total, it will cover only 3.7 million children of the 10½ million who are uninsured. Let me repeat that: It will cover only 3.7 million children of the 10 million uninsured.

The budget agreement is an important step forward. But that improvement is not enough to help the seven million other children in hard-working families whose parents will still make too much to qualify for Medicaid but not enough to buy the health care their children need. The Hatch-Kennedy plan fills that large gap.

Some will oppose this legislation on the grounds that the budget agreement was designed to cut taxes, not increase them. But a cigarette tax increase is a user fee and affirmative step to improve health care. It is not like other taxes. If you don't smoke, you don't pay the tax. We all know the heavy costs that tobacco companies and smokers inflict on all taxpayers. The average pack of cigarettes sells for $1.80 today—and it costs the Nation $3.90 in smoking-related costs. This proposal helps in a modest way to offset those costs.

Every poll shows that, unlike other tax increases, raising the cigarette tax has overwhelming public support. The only people who don't like this increase are the tobacco companies and their lobbyists.

Some will claim that this program will displace existing private insurance coverage. But our bill has strong safeguards to prevent this from happening. In fact, it has not occurred in the States that have already acted to implement similar programs.

Some will argue that this program creates new mandates on States or new entitlements. But anyone who reads the bill will see that it does not. Participation is voluntary for States. The requirements for participation are no greater than for other, typical Federal grants to States for health care. The bill states clearly that it creates no new individual entitlement.

Obviously, we are not voting today on the specific provisions of our legislation. There will be plenty of time for adjustment and improvement as it moves through Congress. But this vote on the budget resolution is the key vote that determines whether the overall budget will contain room for this program, financed by a tobacco tax increase, that will guarantee every family affordable coverage for their children.

Big tobacco opposes this legislation. They are powerful and well-funded, but they do not deserve to succeed in their effort to block our amendment. A vote for this amendment is a vote for children's health care and a vote against the insidious and shameful poisoning of generations of children by the tobacco industry. Enough is enough is enough.

An extraordinary 72 percent of the American people support this program. Republicans and Democrats, liberals and conservatives, low-income families and high-income families, North, South, East, and West—support is overwhelming. The question is whether democracy still works. The American people understand the choice we are making today—and Congress should listen to their views. How can any Senator say no?

I would like to close by telling my colleagues the story of the children in two families.

Sylvia Pierce of Everett, MA, didn't think twice about taking one of her four children to the doctor, when her husband was alive. The family medical bills were covered under her husband's health insurance that he got through his job. When one of the children needed a shot, Pierce took the child to the doctor; if the baby had an earache, Pierce got a prescription. ''People don't realize what a luxury health insurance is,'' Pierce said. ''I know I didn't. I took it for granted. I never thought about it; I never worried about it.'' That all changed October 6, 1993, when her husband was murdered. In an instant, Pierce's life was changed forever. Gone was the father of her children, the family's main breadwinner—and its health insurance, leaving her four children, 13-year-old Leonard, 8-year-old Brian, 6-year-old Alyssa, and the baby, Jillian, unprotected. ''It was the middle of the winter, the worst time of year as far as kids and sickness are concerned,'' Pierce said. ''The kids were always catching something at school, and the baby had earaches and needed to have her immunizations. I kept postponing her shots because I didn't have the money. It was a very anxious time.''

''I didn't choose to be in this situation * * * We've got to take care of our children. They can't speak for themselves so we have to speak for them.''

Maria lives in California. Shortly after Maria entered a new school as a third grader, her progress reports indicated that she seemed to be performing far below her potential. A health examination arranged by her school revealed that Maria had suffered multiple ear infections—probably over a period of several years. Maria's father ran a small yard maintenance business, but was not able to afford health insurance for her. As a result, her parents were unable to obtain treatment for her ear infections. Without timely and thorough medical attention, scar tissue had built up, causing her to become deaf in one ear and have hearing loss in the other. Maria's inability to access affordable medical care affects not only her physical health but her educational development as well.

Every day we delay means more children like Maria and like Leonard and Brian and Alyssa and Jillian suffer. It is time to say, ''enough.'' We have failed our children long enough.

Children are the country's future. When we fail children, we also fail the country and its future. We all know what's at stake. For children, this vote is the most important vote we will cast in this entire Congress.

I reserve the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I might just, first, ask that every Senator who is interested in this amendment and what it does, that they get a copy of the amendment. Look through it. Turn one sheet after another. See if you find mentioned in this document cigarette taxes. See if you see it in here.

There is no mention of cigarette taxes in this. The reason is, you cannot, in a budget resolution, carry out a mandate that a cigarette tax be imposed. Let me repeat. If this amendment is adopted, there is no assurance that a cigarette tax will be imposed because you cannot do that in a budget resolution. So let us look at it, page by page. There is no mention of a cigarette tax. I repeat to Senator HATCH, my very good friend, that there is absolutely no assurance and no way, in a budget resolution, that you can instruct the Finance Committee of the Senate of the United States to levy any kind of tax specifically.

You can change the total amount of taxation and say, ''We sure hope, when you change that, that you will pass a cigarette tax.'' I tell you that because the budget resolution is not the place to argue about what a tax package is going to look like specifically, especially with reference to imposing a new one.

Second, for those who are interested in cutting taxes—I assume there are a whole bunch of people on our side who want to cut taxes, and I think there are

some on this side who want to cut taxes—if this amendment is adopted, while it does not mandate a cigarette tax, believe it or not, it cuts the taxes that you can cut by $30 billion. So that will be a wonderful accomplishment, especially by conservative Senators on this side of the aisle, that essentially the only thing you are assured they accomplish is that there will be a tax cut for the American people that will be less than we expected when we got this budget resolution passed. That is just the arithmetic of an instruction to the committee—just plain arithmetic. Having said that, there should be no bones about it, because of what I have just said with reference to a tax cut and with reference to adding more money to programs, this is in violation of the bipartisan agreement.

Mr. President and fellow Senators, I do not know who is going to lobby this in behalf of the agreement. I do not know who is going to lobby from the White House or from the office of the minority leader. I do know Senator LOTT and I intend to defeat this. So we are not only going to be lobbying, we are going to be working to see that this agreement that we entered into is kept and not violated by this amendment or any other amendment. For, make no bones about it, if you adopt this amendment, this agreement is wide open, if you believe anybody on this side of the aisle or that side of the aisle who wants to live under this is going to sit by for a major change like this. Essentially, the principal change is to reduce the amount of money you can cut taxes by $30 billion.

Let me also say, fellow Senators, and anyone listening here today, whatever the wonderful discussions by well-meaning Senators—and they are all well-meaning, I say that to my friend, Senator HATCH, looking right at him, wonderfully intentioned—the issue of covering children in America who are not covered by insurance, listen up, Americans: They are all covered in this agreement. The President claims victory in this agreement. And guess what he says, Senator KENNEDY, when he said this is a great agreement—5 million Americans, and he put up his hand with his 5 fingers like that—5 million Americans, young children, are going to be covered by health insurance because I made a deal to make sure that occurs.

So let us make sure that the speeches about covering children, trying, in this debate, to tie that to raising a cigarette tax—and another day, another place, another way, perhaps many Senators would vote for a cigarette tax increase. Perhaps.

Mr. KENNEDY. Will the Senator just yield on that point?

Mr. DOMENICI. I just want to finish this thought.

Mr. President, this cigarette tax is not needed. We need not break this agreement to cover children who are uncovered, in terms of health insurance, because they are covered. Let me tell you how much they are covered by. There is $16 billion—one-six—$16 billion in new money in this agreement that is there specifically and singularly to cover children who do not have insurance. All 5 million are covered by the $16 billion.

Let me suggest that the White House in these negotiations put before us a plan to cover the 5 million young people, 5 million young children in America. They put forth a plan and they said it is going to be very difficult to find out how to cover these young children because we do not have any experience in it. We do not have any insurance policies out there to cover them. But $16 billion ought to do the job.

Mr. KENNEDY. Will the Senator yield on my time for 1 minute?

Mr. DOMENICI. Sure. I will be pleased to.

Mr. KENNEDY. Mr. President, just to make it clear, in the budget is some $16 billion. The Medicaid costs are $860 per person. If you work that out, that covers 3.7 million.

I think the President said ''up to 5 million.'' So, there is a major part of that group, particularly the working poor, who are not covered in that.

I strongly support the point that the Senator has made in that we are going to see progress, and it is important progress. I think we ought to at least have an understanding. We have $16 billion and it costs $860 to cover each child. If you do the math, it is 3.7 million. The President, I think, said up to 5 million. I think, frankly, if you do the math, it is a little closer to 3.7 million.

Mr. DOMENICI. Mr. President, fellow Senators, the truth of the matter is that nobody knows, nobody knows today how to cover these children who are uncovered in America. Nobody has a plan. Nobody knows which plan to use. Obviously, a very large number ought to be put under Medicaid. But they will not all fit under Medicaid, so another plan has to be developed for the rest of them. Frankly, this Senator is convinced that we can devise a plan in the Finance Committee of the U.S. Senate that will cover them all and will not even use the $16 billion.

That is just as honest a statement as my friend from Massachusetts makes when he plucks a number, because we do not know what it is going to cost. Mr. President, do my fellow Senators know that if you went out 6 months ago across America and you said, ''Let's buy health insurance for some uninsured kids; let's just go around to the insurance agencies and say, 'How about giving us an insurance bid,' '' there was no policy until about 2 months ago when a company decided to issue a policy. Nobody even knows, since it is the only one, whether its price is going to remain when they all start issuing them, for it is, indeed, not expensive to cover children; everybody knows that. One of the reasons given to cover them is it is not very expensive to cover them.

All I am suggesting is that the President of the United States, in this bipartisan agreement, made great, great emphasis to the American people that it was a good agreement for many reasons, and one of them was that we had covered the young people who are not covered with $16 billion in new money.

I want to close on this point, and I will have a lot more to say, but essentially, this amendment in no way will cause a cigarette tax to be imposed if that is the wish of the sponsors, because you cannot do it in a budget resolution and you cannot find the words ''cigarette tax'' in the boundaries of their amendment, because there is no way to do that. They just have numbers plugged in and they wish the Finance Committee will use the numbers the way they are giving their speeches on the floor. They are hoping that they will do that, but the Finance Committee does not have to.

So what we are doing is, we are tying in kids' coverage, which is already in the agreement, to a national issue on smoking cigarettes. And it is a national issue. It is a terribly tough issue, but, essentially, they are unrelated in terms of the budget resolution. So what we are doing is asking for more money for a program that is already covered, with no assurance that it will be spent for that program, and we are calling for a tax increase, with no assurance that it will be a cigarette tax, but a real assurance that you will have cut the $85 billion that we are providing for net new taxes by $30 billion, just the mathematical effect of the amendment.

I yield the floor at this time.

Mr. HELMS. Mr. President, Senator DOMENICI is absolutely correct. If the Senator from Massachusetts wants to render nugatory the work of all the Senators who labored so long to produce a budget, his amendment is the way to do it.

At stake, Mr. President, are the livelihoods of this country's tobacco farm families as Senators KENNEDY and HATCH attempt to extract an additional $30 billion tax increase from the American taxpayers by upping the existing 24-cent excise tax to 67 cents.

The impact of this proposal, if enacted, would not only devastate the Southeastern economy; it will harm the entire country. It will be harmful to the lives of thousands of farm families, to the manufacturing workers who stand to lose their jobs, to the retail-store owner and his employees, to the truck driver who delivers the product to market, to the farm implement dealer who supplies the tobacco farmer, to the schools financed by taxes levied on tobacco farmers, and on and on.

Mr. President, this tax increase will cost thousands of fine North Carolinians their jobs; it will effectively destroy the livelihoods of thousands of small family tobacco farmers.

According to American Economics Group, Inc., nearly 662,402 citizens are employed in the production, manufacturing, and marketing of tobacco. If

enacted, the 43-cent excise tax on tobacco products would abolish 43,000 jobs nationwide, and North Carolina alone would lose 17,849 jobs.

Furthermore, any increase in the cigarette excise tax will fall disproportionally on lower- and middle-income consumers—the citizens least able to pay it. Those earning less than $30,000 annually already pay 5 times more in excise taxes than those earning $60,000 or more. Those families earning less than $30,000 pay a staggering 47 percent of all tobacco excise taxes, yet these families earn only 16 percent of national family income.

Make no mistake about it—the tobacco tax is not a user fee as so often claimed by the proponents of this amendment—it is a tax increase. We all know that when excise taxes are increased on any product, sales of that product decrease. If tobacco revenues fall short of projections—which will certainly be the case because there will be a substantially smaller tax base—how will the shortfall be made up? More taxes? What other group will be singled out to shoulder this financial burden?

Tobacco has been targeted for enormous tax increases because it is an easy way for this Government to take even more money out of the taxpayers' pockets. Smokers, tobacco farmers, and those who work in the tobacco industry should not be singled out to shoulder the burden of paying for the health care of uninsured children.

The anti smoking zealots have made clear that they are willing to do almost anything in order to tax tobacco right out of existence. They do not care about the 18,000 people in North Carolina alone who stand to lose their jobs. The proponents of this amendment talk about all the children they are trying to insure with the revenues from this tax. Well, I can guarantee that they'll be able to add more uninsured children to that list if this tax is enacted. There will be a number of folks without work, and a number of children who will suffer because of it.

Once we head down this road of using the taxing power of Government to discourage Americans from undertaking activities Congress and the White House find objectionable, or politically incorrect, where will it stop?

This tax discriminates against an entire region, an entire industry, and all people who use tobacco products.

Mr. FORD. Will the Senator yield me 10 minutes?

Mr. DOMENICI. I yield 10 minutes to Senator FORD.

Mr. FORD. I thank the Senator.

Mr. President, I am quite proud of the record I have established over the years in support of programs that help children. No one in this Chamber is going to suggest that this Senator, this grandfather of five, takes second place to anyone when it comes to priorities affecting children. I have supported expanding educational opportunities ever since I came to the Senate. Nothing is more important for our children than education. I have supported full funding for Head Start and the WIC Program and expanding Medicaid coverage to poor children. I have supported child care programs. I have supported the expansion of the earned income tax credit. I have supported a child tax credit that will become, hopefully, a part of this budget. I have supported drug abuse funding to help children. I have supported reasonable environmental initiatives that improve the lives of our children. But this is not a debate about whether or not to provide funds for child health care.

The budget agreement already includes $16 billion in additional funds for child health care. A vote for this budget agreement, as is, is a vote for this country's children. I support the budget agreement that was negotiated earlier because it strikes an important balance. It provides much-needed programs for children from education to health care. It provides much-needed tax relief for middle-income families, and it balances the budget by 2002. An enormous amount of what we spend in the Federal budget is about children, and I believe that is right because our children are the most important resource this country has.

We have to balance a lot of competing priorities. There is virtually no end to what we could spend on educating our children, for instance, if money were no object, but money is an object, because we have to balance the size—and I underscore size—of Government with the appetite of our constituents to pay taxes. I thought the budget arrangement announced earlier struck a pretty fair balance. It protected a number of national priorities while balancing the budget. As I have always said, it includes $16 billion for children's health care over 5 years, an amount that we are told will cover approximately 5 million children.

The budget deal assumes that there will be $135 billion in gross tax cuts offset by $50 billion in new revenues already. Now we look at the Kennedy-Hatch proposal. No matter how you look at it, this proposal undercuts the budget deal by changing the balance reached in that agreement. It requires the Federal Government to be $30 billion bigger in tax revenues and at least $20 billion bigger in spending programs. Tax-and-spend.

So, with this amendment, there will only be $55 billion in net tax cuts. That is not the agreement I agreed to, the White House signed off on last week, and it is not the agreement that the American public has been led to believe they are getting.

There are plenty of other problems with the substance of the Kennedy-Hatch amendment. I do not think the budget deal was about raising taxes. If this amendment is adopted, this budget deal will become more and more about raising taxes. Put another way, this amendment reduces the net tax cut in this bill by 35 percent, more than a third. It requires a 60-percent increase in revenue raisers in this bill over the next 5 years. Tax increase, revenue raisers.

Let's quit talking about taxes a moment, and let's talk about the Kennedy-Hatch amendment. While it is true that States have the option of denying the new block grant under this amendment, once they decide to accept the money, several conditions and mandates—I underscore mandates—to the States apply.

The Kennedy-Hatch proposal contains 27 separate provisions which state that a State ''shall'' or a State ''must'' or a State ''may not'' do something. States have restrictions on how to write their plan to cover children. Who must approve the plan before they receive the funds? HHS. Which children are eligible for health insurance subsidies? What must be covered under the health insurance policy? You have told the insurance companies what they have to write, who they can contract with—think about that now, who a State can contract with for policies and how—how much they must pay out of State funds to receive this money; what percentage of administrative costs they must cover—mandates on the States.

Having been there and done that, I understand what a Governor has to do, but, if faced with a choice of stretching dollars, a Governor might prefer to provide a very basic policy but to cover more children. Under the Kennedy-Hatch amendment, the benefits that must be covered are specified in the bill.

What is the cost to the States? The Kennedy-Hatch amendment will cost the States up to $5 billion in additional matching funds, requiring them to raise their money or their taxes. The Kennedy-Hatch amendment will cause cigarette consumption to decline by a minimum of 10 percent. This means that States could lose between $4 and $7 billion in excise taxes if they do not participate in the bill, meaning that even more money must be made up somewhere else.

For weeks and weeks and months and months, there has been a bill filed to get rid of Joe Camel, to get rid of Marlboro Man, to do away with advertising, to do all those things that FDA has regulated, and then just ask FDA to get out of adult choice. But people who will not help prevent youth from smoking are here with an issue, not solving the problem, they are here with an issue, because if they wanted to solve the problem, they had an opportunity months ago to get on a piece of legislation that would do exactly what FDA is now saying will be in regulations.

So, Mr. President, don't let anyone say that they want to solve the problem. They, by their own words, have let thousands upon thousands upon thousands of kids die because months and months and months ago, they would not get on a bill to help stop youth smoking. Now they have an issue: They

want to raise taxes in order to stop youth from smoking.

Well, it tells me something that they want the issue and not a solving of the problem.

I yield the floor, Mr. President.

Mr. KENNEDY. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, just for the benefit of the membership, this legislation is drafted in the historical, traditional way of amending the Budget Act. There should be no question as to exactly what this legislation is about. It is about providing health insurance for working families who cannot afford it. This is spelled out in the purpose of the amendment, which also states that it will be * * * ''financed by an increase in the tobacco tax.'' What we are voting on ought to be very clear.

Second, Mr. President, I ask unanimous consent to have printed in the RECORD a joint tax review that states that even with the decline in potential tobacco use, there still will be $30 billion generated over the period of the next 5 years. This also takes into consideration the arguments of the Senator from Kentucky.

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

JOINT COMMITTEE ON TAXATION,
Washington, DC, May 19, 1997.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KENNEDY: This is a revenue estimate of your bill, S. 526, introduced with Senator Hatch.

Under present law, the excise tax rates on tobacco products are as follows: small cigarettes, $12.00 per thousand; large cigarettes, $25.20 per thousand; small cigars, $1.125 per thousand; large cigars, 12.75 percent of wholesale price (but not more than $30.00 per thousand); snuff, $0.36 per pound; chewing tobacco, $0.12 per pound; pipe tobacco, $0.675 per pound; cigarette papers, $0.0075 per book containing more than 25 papers (with no tax on books containing less than 25 papers); and cigarette tubes, $0.015 per 50 tubes. Under present law, there is no tax on fine cut (roll-your-own) tobacco.

Under the bill, the tax on small cigarettes would be increased by $0.43 per pack to $0.67 per pack. The excise taxes on other tobacco products are to be increased by the same percentage increase as the increase (179 percent) on small cigarettes except for the tax on snuff, which would be increased by 569 percent to $2.41 per pound and chewing tobacco which would be increased by 4,975 percent to $6.09 per pound. In addition, an excise tax is to be imposed on fine-cut tobacco equal to the tax on pipe tobacco.

The proposed tax increases for small cigarettes and other tobacco products would become effective on October 1, 1997, with floor stocks taxes levied on that date. However, a credit to be applied against the floor stocks tax liability equal to $500 would be allowed every vendor responsible for the payment of floor stocks taxes. We estimate that the floor stocks tax credit would reduce fiscal year 1998 receipts by $400 million from what they otherwise would be.

We estimate that this proposal would increase Federal fiscal year budget receipts are as follows:

[By fiscal years; in millions of dollars]

Item	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998–2002	1998–2007
Increase small cigarette tax by $0.43 per pack	5,273	5,633	5,673	5,714	5,753	5,791	5,827	5,864	5,904	5,944	28,046	57,376
Increase other tobacco excise taxes by 179%:												
Large cigarettes	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)
Small cigars	3	3	3	3	3	3	3	3	3	3	13	30
Large cigars	58	61	61	59	58	57	56	55	54	53	297	573
Pipe	10	10	9	8	8	8	8	8	8	8	45	85
Fine cut	4	4	4	5	5	5	5	5	5	5	22	47
Papers	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	1	(2)
Tubes	1	1	1	1	1	1	1	1	1	1	5	10
Increase tobacco excise taxes on chewing tobacco by 4,975%	93	94	92	90	89	88	87	86	85	84	458	888
Snuff by 569%	239	258	270	281	293	306	319	332	346	361	1,341	3,005
Totals	5,681	6,064	6,113	6,161	6,210	6,260	6,309	6,357	6,409	6,462	30,228	62,026

(1) Gain of less than $500,000.
(2) Gain of less than $5 million.
Note: Details may not add to totals due to rounding.

I hope this information is helpful to you. If we can be of further assistance in this matter, please let me know.

Sincerely,

KENNETH J. KIES.

Mr. KENNEDY. Mr. President, third, using the figures of the Senator from Kentucky, a reduction of about 10 percent is 4.5 million Americans. By and large, the greatest reductions will be among children, because they become addicted at the earliest age.

Finally, I want to address the issue as to whether this is consistent with the budget resolution. The budget resolution reduces the deficit. This program adds $10 billion in terms of deficit reduction. It strengthens the agreement itself.

Second, it does not change spending with regard to potential capital gains, the estate taxes, the IRA's, the education programs—none of those will be altered or changed.

This is effectively a user fee for those who smoke, and it will provide comprehensive coverage for the millions of children who are not covered.

I pay tribute to my friend and colleague from Kentucky because he has been a champion of children the entire time he has been in the Senate, and no one in this Senate ought to doubt his strong commitment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes.

I want to make a point again in a little different way. I am talking now to the U.S. Senate, but, obviously, there are people who pay attention who are not in the Senate.

So I would like to make sure that everybody that was part of this agreement—this agreement—the President of the United States signed it. I would like to make sure he somehow or other hears this next couple minutes.

Mr. President, fellow Senators, there can be no more frontal attack and violation of this agreement than this amendment. Now let me make it clear. It says that the tax cut to the American people is reduced by $30 billion. And it says we will spend $20 billion of that. So we are going to reduce the tax cut and spend more money. And we already cover the children in this agreement.

Mr. President, why would we work for 2 or 3 months—and in this instance I say, Mr. President, Mr. President Bill Clinton—why would we work for 3 months to shape an agreement that provides some items that Republicans want and some items that Democrats want, including the President, and then come to the floor and have the President of the United States not fully aware that this throws the agreement away? Perhaps he is unaware of it this morning. But he ought to be aware of it soon.

I mean, the agreement is as much as a nullity if you are going to violate it to that extent with this amendment, which will not necessarily accomplish the purposes of its sponsors.

I repeat, look at the amendment. Read it line for line. And there is no mention, I say to Senator GORTON, of a cigarette tax in this because, as you know, you cannot do that in budget resolutions. They are just numbers. So there is no cigarette tax in here, and no cigarette tax assured under this.

So I hope everybody understands the significance of it. We can debate for quite some time. I was of the opinion we had an agreement. And I was of the opinion that it was Democrat, Republican, Presidential. And I think those who are proposing this amendment better think loud and clear and think carefully, do they want the agreement to disappear because of this amendment.

I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I understand well the procedural objections of the distinguished Senator from New Mexico to this amendment. He argues that there is no way to be absolutely certain that the Finance Committee will levy a tobacco tax. In a narrow legal sense that is certainly true. Well, to that assertion I simply respond that this is not some hinky-dinky little technical amendment. Everybody here knows what is involved here.

We are having one of the most important debates in this Congress. It may be the most important debate that occurs during this session of Congress. We are debating in public. We all know what the stakes are. It is our children versus Joe Camel, nobody doubts that, nobody has any problem with that. In fact, even in the purpose clause of the amendment, it says financed by an increase in the tobacco tax. So it is there. Make no mistake about it, the question is clear today. History can be made today if our amendment is agreed to.

The Finance Committee would have no practical other choice but to pass the cigarette tax to finance this. Of course, there is no legal requirement to bind their actions but sometimes political and moral forces cannot be resisted by mere legal technicalities.

If we prevail today, there is no political way to turn back. That is why so many people are so nervous today. This vote may be the most important vote we cast this year for the future of our children. Let us face it. The people out there are watching. And they are going to hold us accountable, especially those 72 percent of the public, according to the Wall Street Journal-NBC poll who support our bipartisan approach. It is Joey versus Joe Camel, and no procedural nicety can obscure this reality. And everybody here knows it. So that is what it is coming down to.

There are $135 billion in total tax cuts, gross tax cuts in this budget agreement. And the fact is, that this is a public health vote much more than a tax vote. Tobacco is the No. 1 cause of premature death in this country. And that is costing our country literally tens of billions of dollars annually by our own Government estimates.

GAO is the one who has given us the figure of 10 million children here who do not have adequate health insurance, 3 million of whom do not even know they qualify for Medicaid. This money in this bill will help those 3 million children, perhaps. But I have to say, in order to get to $16 billion they had to cut the DISH. That is going to be a loss to children. So we are talking about taking care of the other 7 million children that are involved according to the GAO.

My amendment does direct the Finance Committee to come up with $30 billion more in revenues. We want this to be done with the tobacco tax increase; and it is the only way it will be done. That is the only way you can adjust the budget to accommodate a tobacco tax increase. If the Finance Committee refuses to back the tax, then it will be they, not us, who have thwarted the will of 72 percent of the American people who support this amendment.

I would like to point out nothing in the bill binds any committee to adopt any policy. Many committees may consider changes we have not anticipated here today. We have to do the best by providing clear direction on the floor. And if that guidance is not followed we will have to deal with that with subsequent reconciliation and tax bills.

So this charge ignores the real issue. The proponents of our amendment, the Hatch-Kennedy amendment, are making a public choice to help kids at the expense of the tobacco industry. You can try to gild the lily any way you want, but that is the situation here. Big tobacco is fighting back. Who are we going to be with? Are we going to be with the kids or are we going to be with tobacco? That is strictly the issue.

I reserve the balance of my time.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. How much time does the Senator want?

Mr. LAUTENBERG. How much time does the Senator want, 10 minutes?

I yield 10 minutes to the Senator from Massachusetts off of the budget resolution.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the Senator from New Jersey.

I am proud to rise to join Senator HATCH and Senator KENNEDY as a cosponsor of this, and to thank them for their leadership on it. Let me say first of all, that it is absolutely disingenuous to suggest to the U.S. Senate that this amendment ought to be voted against or is subject to criticism because it reduces the tax cut by $30 billion.

Every U.S. Senator knows, by virtue of our experience here and the practice on the budget, that we are not allowed to specify the specific source of revenue. But every Senator also knows what the source of revenue would be if we decided to pass this legislation. There is no question about it.

There is no other place that the Finance Committee would go as a consequence of an overwhelming vote of the Senate to say that we should provide this care with the understanding of the sponsors and of all of those proposing that there is one source that we are directing our attention to for the revenue. So that is an entire smokescreen. No Senator can hide their vote behind that kind of smokescreen today.

Second, it is absolutely false to suggest that the $16 billion in the agreement is going to provide health care to even the 5 million children that it claims to, let alone the 10 million children we know do not have coverage today. The math is ascertainable. And the math will tell you that you are only going to cover about 3.7 million children with the amount of money allocated.

The fact is, that last year when Senator KENNEDY and I and Senator ROCKEFELLER and others introduced legislation to provide health care for children, we thought we had an approach. And Senator HATCH and others could not find agreement with it. And there have been some changes since then. But let me tell you, Mr. President, what else has happened since then.

There are 750,000 additional children who have lost their private health insurance in this country in that year that we have not seen fit to do what Senator KENNEDY and Senator HATCH are asking us to do today—750,000 additional kids.

One kid every 35 seconds has lost their health insurance in this country. And the fact is, that most of those 10 million kids are the sons and daughters of parents who are working. Ninety percent of them are working. And the vast majority, about 68 or 69 percent, both parents are working and are working full time.

So why is this necessary, Mr. President? Let me just share with you a real-life story from Massachusetts. Jim and Sylvia Pierce were married in 1980. They lived in Everett, MA. Jim was a plumber. They had three children: Leonard, Brianna, and Alyssa.

In October 1993, Sylvia was pregnant with her fourth child when Jim was murdered on his way home from the store. In that one horrible moment, her life changed forever. She not only lost her husband, but, pregnant and alone, she lost her health insurance as well. Her survivor's benefits made her income too high to be able to qualify for long-term Medicaid but it was too low to be able to pay the $400 a month premium that would have extended her husband's health plan so that it would have covered her children. Result—she lost her health insurance, pregnant, and with three children.

And she said, ''I've always taken good care of my children. I feed them well; I take them to the doctors immediately when they need it. All of a sudden I couldn't do that anymore.''

That is what this debate is about, Mr. President. It is about families like that that are trying to provide for their children. It is about teachers who will tell us again and again that children in a school who are disruptive in a class are often the children who have not even been diagnosed for an earache or for an eye problem. We are the only industrial country on this planet that does not provide health care to our children.

That is unacceptable in 1997. It is unacceptable when we are looking at 134 billion dollars' worth of gross tax cuts.

Mr. President, every person involved with children will tell us the value of

providing health care to those kids so that you can provide the long-term preventive care and diagnosis necessary to provide them with full participation in our society.

The Journal of the American Medical Association found that children with coverage gaps are more likely to lack a continuing and regular source of health care, so that if you just have a gap in your coverage, the greater likelihood is you are not going to be able to make it up and have any kind of long-term preventative care; and that even when factors, such as family income, chronic illness, and family mobility are factored out, numerous studies by university researchers and by Government agencies show that the uninsured are less likely to receive preventative care, such as immunizations, more likely to go to emergency rooms for their care, more likely to be hospitalized for conditions that could have been avoided with proper preventive care, and more likely to have longer hospital stays than individuals with health insurance.

So, in other words, the fact that we nickel and dime this and we refuse to give them coverage actually winds up costing us a lot more in the long run.

Mr. President, when you really consider the savings in this, this ought to be a no-brainer for Members of the Senate. And the fact is, the reason we are turning to cigarettes is because cigarettes are the greatest saver of all. You can leave aside the fact that the Wall Street Journal did a poll that suggested that 72 percent of Americans favor this 43-cent tax, but just think about it on the merits.

The fact is, the public supports this bill because they want children to have health insurance and they also understand the rationale for increasing the cigarette tax. The cigarette tax is a user fee. For three-quarters of Americans they are not going to pay anything additional. But for the one-quarter of Americans who do smoke, they wind up costing Americans an additional $50 billion in direct costs, health care costs as a consequence of that smoking.

Mr. President, the tobacco taxes in the United States today are the lowest in the industrial world. And even if we passed this 43-cent tax in order to fund health care for children, we would still be far below the tax charged in most of those other countries today.

There is a rationale for doing this, a rationale that is overwhelming.

In the next 24 hours, 3,000 children are going to start smoking.

Every 30 seconds a child in the United States starts smoking. And the problem is getting worse because smoking among students in grades 9 to 12 increased by more than 26 percent from 1991 to 1995.

And although 419,000 smokers die each year of smoker-related diseases, the fact is that 89 percent of those who start to smoke by the age of 18 are going to be replaced today or the fact is those 419,000 are going to be replaced by about 1 million new smokers, which means that you are going to have about 89 percent of those who are 18 will have started smoking before that.

Mr. President, the tobacco tax is known to weed out that early smoking. The tobacco tax, according to the American Cancer Institute, suggests that 835,000 children's lives would be saved. So that is really the choice we face in this vote today. We know that if you raise the taxes on cigarettes, the people with the least amount of disposable income, which are kids, are less accessible to cigarettes. The fact is, if 835,000 lives could be saved and we refuse to take the step today to do that, then ask yourself what the complicity is in those additional 835,000 smokers and deaths that would occur as a consequence.

Mr. President, this makes sense. This is important in terms of our rising to the standards of the rest of the countries in the world, industrial countries. It makes sense to save countless tax dollars that are spent for those people who die, the 419,000 each year, as a result of smoking-related disease. It makes sense because it provides children with the opportunity to have the diagnosis of preventive care that provides them with a full opportunity to participate in our society.

I think Senator HATCH and Senator KENNEDY are absolutely correct when they say this is one of the most important votes we will cast. This does not blow apart any agreement. Do not let any smokescreen to that effect cloud a vote here. This agreement can hold together because this amendment provides for revenue and it provides for making up the difference of what is taken away. In the end, this agreement could go forward, and America's children would benefit as a consequence of that.

I reserve the balance of my time.

Mr. GORTON. Mr. President, I yield 8 minutes to the distinguished Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. I thank my friend, the Senator from Washington.

Mr. President, we are indeed here for a budget resolution designed to ultimately lead to a tax decrease for Americans. Advocating the Kennedy-Hatch proposal is a $30 billion tax increase for the American people.

Mr. President, that is not exactly what I thought a Republican Congress had in mind in negotiating with the President of the United States to reach a balanced budget agreement. All of a sudden we throw that out right here in the second day of debate and suggest that we raise taxes $30 billion on the American people.

Now, which people are we suggesting the taxes ought to be raised upon, Mr. President? This is a regressive tax against low-income Americans. All of my colleagues on the left of the political spectrum here are advocating a low-income tax increase of substantial significance all across America. It seems to me the worst way, even if the Kennedy-Hatch proposal were otherwise something that ought to be supported, the worst possible way to finance it by putting a tax on low-income Americans. So not only is this a new tax in a budget resolution designed to give us an opportunity to lower taxes on the American people, it is a tax directed at low-income Americans.

In addition to that, Mr. President, this is a tax that is targeted at a region of the country. It is no secret that tobacco production is largely confined to the southeastern part of the United States of America. No one, as far as I know, is suggesting that cigarette smoking or the production of tobacco be made illegal. Controversial though it may be, no one is suggesting it be made illegal.

So we have in my State over 60,000 tobacco producers engaged in the raising of a legal crop for American citizens. The average tobacco grower, Mr. President, used to have in Kentucky about three-quarters of an acre. It is a little bit higher than that now. The typical tobacco producer in my State is a part-time farmer. He probably has a job in a factory. His wife probably works in an apparel or cut-and-sew plant, as we call them. They raise this tobacco on their own. They cut it and strip it on their own. They sell it at auction in November and December, and it provides Christmas money, or, for many families, a lot more than Christmas. It may be the opportunity to send their kids to college. Frequently, these kids going to college are the first in the families to have that opportunity.

Mr. President, 60,000 tobacco producers all across Kentucky are being singled out as they raise a legal crop, being singled out to pay for a children's health insurance proposal in this budget resolution, and I am told by the chairman of the Budget Committee, we have already taken care of that. There is $16 billion for children's health insurance in this budget proposal already. So what is going on here is, you will have a whopping new tax increase on low-income Americans that whacks the Southeastern part of the United States the hardest in order to get after cigarette smoking.

Mr. President, I do not smoke. I do not advocate it. I think we need to do a better job of keeping cigarettes out of the hands of people who are underage. But why in the world should we, in this budget resolution, designed, among other things, to give tax relief to the American people, whack low-income Americans with a $30 billion tax increase is simply beyond my understanding.

Now, looking at it from a job-loss point of view, Mr. President, from a Kentucky jobs point of view, estimates are that there are 78,000 Kentucky residents who have jobs in sectors linked to the production, distribution, and retailing of tobacco products. By increasing the Federal excise tax on cigarettes

by 43 cents per pack, we estimate we would lose 43,000 of those jobs and 2,000 of them would be the Kentucky farmers. The total payroll loss would be $70 million in my State. Due to declining cigarette sales, total State cigarette tax revenues would also drop by just under $7 million.

So not only does this proposal advocate a huge tax increase on low-income Americans, it is also going to lose a significant number of jobs in my State and a number of other States across the Southeast all, allegedly, to go after a habit that many Americans have, which is not a healthy habit, a habit that I do not participate in, but a habit that adults are entitled to engage in if they so choose.

Now, Mr. President, this is a very, very serious proposal before the Senate. It will do great harm to my State and other States across the Southeast. We do not need to enact this proposal to provide additional health insurance for children. That is already provided in the budget agreement before the Senate.

Mr. President, I strongly urge the Senate not to adopt this amendment. It is a huge tax increase. It is a tax increase against low-income people. It is a tax increase targeted at a region of the country. It will have devastating effects on the economy of my State. I strongly urge the Senate not to approve this proposal.

To reiterate, Mr. President, I support this budget's constructive advancement of child health care, but I strongly object to the proposed amendment's destructive impact on child welfare in my home State of Kentucky.

This budget makes an up-front commitment to address the needs of child health because it is the right thing to do. But it does not place the welfare of children at risk in order to score political points against Joe Camel. I believe that my colleagues believe that no child should be discriminated against in order to benefit another. But the Hatch-Kennedy amendment takes this course openly. This amendment makes it acceptable to reduce a farm family to abject poverty in order to provide a limited health care benefit. This choice is not necessary. This budget supports the health care of children without destroying the foundation of their family and community.

As I have mentioned on this floor before, leading tobacco States like Kentucky, North Carolina, and Virginia are not the only States whose economies benefit from tobacco. Tobacco is grown on over 124,000 farms in 22 States and in Puerto Rico. Tobacco provides jobs to countless Americans. The hundreds of thousands of people involved in the tobacco industry buy cars built in Michigan, refrigerators built in Iowa, computers from California, and insurance from New York companies.

The smokeless tobacco industry includes thousands of small farmers in States like Kentucky, Tennessee, Wisconsin, Pennsylvania, and Virginia. In many cases, tobacco provides the cash margin that sustains a diversified family farm operation. Smokeless tobacco companies employ workers in States like Kentucky, Connecticut, Wisconsin, New Jersey, West Virginia, Tennessee, and Illinois. Many tobacco product distributors are in States like Texas and Georgia. With the inevitable loss of those jobs, the economic harm will be far-reaching throughout the larger farm and rural communities associated with tobacco.

The billions of tax dollars supplied by the many facets of the tobacco industry support schools, pay for roads—help build America. Where will these funds come from now? Whose taxes are you going to raise next?

This amendment will raise excise taxes on all tobacco products including cigarettes, chewing tobacco, and snuff. This represents a 179-percent increase from the current 24 cents per pack Federal tax on cigarettes; a 569-percent increase on chewing tobacco from 36 cents to $2.41 per pound; and a 4,975-percent increase on snuff from 12 cents to $6.09 per pound. I am unaware of any other product that has been subjected to such outrageous tax increases. The economic repercussions of these taxes are far-reaching in terms of the severe economic disruption they will cause.

Excise taxes are regressive and discriminatory. Regressive, because the burden of paying them falls heaviest on low-income Americans. In 1987, the Congressional Budget Office [CBO] called consumer excise taxes the most regressive type of tax. CBO singles out tobacco excise taxes as the most regressive of all estimating that lower income persons pay 15 times more in tobacco taxes as a percentage of income than upper income individuals. A 1993 study by the Council of State Governments calls tobacco a worn-out tax source.

The tax on these products will be devastating to those Americans whose household income is less than $30,000.

Thousands of American jobs will be affected with such increased taxes in the form of lost wages and reduced spending, for example, local banks, farm equipment dealers, seed and feed stores, gas stations, grocery stores, and clothing stores.

A 43-cent-per-pack increase in the Federal excise tax increases the total Federal excise tax to 67 cents per pack and boosts the total Federal, State, and local excise tax to around $1 per pack. A 50-cent-per-pack increase for cigarettes would cause cigarette consumption to decline by about 11 percent. A decline of this magnitude would reduce total burley consumption in the United States by about 40 million pounds. Kentucky produced about 420 million pounds last year. Last year the average price per pound was about $1.90 per pound, this would result in a loss of $76 million in farm income.

The American Economics Group, Inc. [AEG] estimates that 78,280 Kentucky residents have jobs in sectors linked to the production, distribution, and retailing of tobacco products. By increasing the Federal excise tax on cigarettes by 43 cents per pack approximately 4,310 of these jobs would be lost, 2,019 would be farmers. Total payroll loss would be $70 million. Due to declining cigarette sales, total State cigarette tax revenues will drop by $6.7 million.

Tens of thousands of Kentuckians earn a living from the growing, harvesting, manufacturing, and marketing of tobacco products. Additionally, nearly $130 million of Kentucky's tax revenue relates to tobacco production, and local governments receive approximately $5.5 million in property taxes from the value of the quota system alone. Where will this tax revenue come from when Kentucky farmers are taxed out of existence?

Mr. President, if this tax increase is passed, who is going to pay their bills, provide them with job opportunities, and pay their health care? Who? If this tax increase is passed, you will see a ripple effect that will be devastating to rural communities in Kentucky.

Supporters of the Hatch-Kennedy amendment have spoken often of the health care needs of America's children. For Kentucky families, the health of their children is not limited to an insurance benefit. The health of our communities and our families is directly related to the health of our children. For Kentucky's rural towns and counties, tobacco is their lifeblood.

This amendment will dramatically impact the ability of Kentucky farmers to provide a living for their families. The tremendous loss of income will affect whole communities. Most tobacco farmers operate on borrowed money from the local bank. Where farmers have been in a position to diversify, they have done so but they have borrowed the money and use tobacco income to pay back the loans. Land values will decline. Bankers are going to be less likely to make loans. Rural communities will be decimated.

Mr. President, the farmers in my State of Kentucky and across the country are real people, people with feelings, and people who are hard working. The income they generate does not go toward a lavish lifestyle. The money is used to put food on the table, pay the mortgage, keep the car running, support the church, educate their children, and makes Santa Claus real at Christmas.

For over 200 years, tobacco has played an integral role in Kentucky's history and economy. More burley tobacco is grown in Kentucky than anywhere in the world. The average farmer grows less than three acres of tobacco, and there is no other crop which provides the income tobacco does on such small acreage. The economics of this intensively managed crop do not transfer to planting soybeans, peanuts, or corn. There have been attempts to replace tobacco production with other crops; however, almost none are economically sustaining.

In eastern Kentucky the impact will be particularly devastating. These are proud, and hardworking families with few alternatives. Their farms are small and tobacco is their only form of income.

Tobacco is one of the most economically productive crops for the type of soil we have in Kentucky, and researchers have yet been unable to find a viable alternative.

Tobacco is a traditional crop for my home State, but Kentuckians do not grow it simply to keep a tradition alive. Tobacco is a hard, labor intensive crop. Imagine the strength and sweat it takes to cut and spear a pound plant in the heat and humidity of a southern August day. Now imagine repeating that effort until—pounds of tobacco are cut, hauled, and hung in the barn for curing. Kentuckians grow tobacco because no other crop provides the same level of economic return.

Forcing farmers to leave tobacco for an unsuitable crop is irresponsible and will cause irreparable damage to thousands of Kentuckians.

We have too many big-picture economists and self-appointed experts who say farmers can find something else to grow, few have ever been to a tobacco farm to even know what it looks like. If they would go with me to Morgan, Owsley, or Wolfe Counties, where over three-fourths of their farm income comes from tobacco, it becomes very clear why I say there are not many alternatives. Twenty-three counties, all in eastern Kentucky, rely on tobacco for more than one-half of their farm income.

Owsley County—88 percent of farm income is from tobacco.

Wolfe County—80 percent of farm income is from tobacco.

Morgan County—75 percent of farm income is from tobacco.

If they could diversify they would. In western Kentucky, where the land is flat, they are growing tomatoes and peppers. In central Kentucky, they have beef and dairy cattle. But in eastern Kentucky, the choices are coal, tobacco, or welfare. The options simply are not there, no matter what the experts say.

Beyond the farm gate, tobacco farming is immensely important to hundreds of small rural communities. Without the tobacco program the value of farmland would fall dramatically, local tax bases would be wiped out, and the loss of income from leasing the tobacco quota or growing the crop would reduce the standard of living dramatically across my State.

The real travesty of an excise tax increase would be the impact on family farmers who have been helping to stabilize and revitalize our rural communities. In Bath County nearly 50 percent of all personal income comes from tobacco sales. That means it keeps a steady flow of money going into the community.

If this tax goes through, how are tobacco farmers going to pay the local truck dealership, church, the farm equipment store, the seed and fertilizer store, the local independent bank, and all the other important elements in the community.

There is just no disputing the fact that Kentucky burley brings in far more money than any other crop raised in the State.

The average Kentucky tobacco farmer gets about $3,500 in revenue from an acre of tobacco, but that same acre generates nearly $37,500 in excise taxes for Federal, State, and local governments.

Other sectors will be impacted by this outrageous tax increase such as convenience stores. The convenience store industry is concerned that the large tax increase on tobacco products will invite substantial tax evasion, and concurrently, expand the underground market for tobacco products. They are also very concerned about the increase of security risks for convenience stores and other tobacco retailers.

In many retail formats, including convenience stores the value of tobacco inventory will dramatically increase. Cigarettes are already being locked up in grocery stores because of the shrinkage and theft risk that they pose.

In fact, the convenience store industry has already seen many cases in which, because the amount of money in the cash register is kept low, an armed robber has opted to rob cigarettes. With such increased excise taxes, a carton of cigarettes will be the most expensive item in any convenience store. This poses serious security concerns.

Mr. President, and colleagues, I do not use tobacco products. However, the proposed increased excise tax on tobacco products will impact me and every nonsmoker across the country. The excise taxes on tobacco products, as proposed will have a dramatic impact: jobs will be lost, sales and income tax revenues to the local, State, and Federal governments will be lost, unemployment will increase, businesses will shut down, and family farmers will go bankrupt. The men and women who grow tobacco, who rely on the money from tobacco, cannot bear this unfair tax.

I do not believe it is fair or equitable to single out one industry or region to finance such a proposal.

Mr. President, I urge my colleagues to oppose this amendment.

Mr. KENNEDY of Massachusetts. Mr. President, I yield a minute off the bill and 4 minutes from our time to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I thank the Senator from Massachusetts. A couple of quick points that ought to be made. This amendment, the amendment of Senator KENNEDY and Senator HATCH, reduces the budget deficit. I hope that point has been made. It does reduce it by $10 billion. That is specifically the amount. It does not change a single spending cut or tax cut that has been proposed in the budget agreement. It does none of that whatever, and it is consistent with what is already in the budget agreement. It would help children that do not have health insurance. It is very complementary to the budget resolution.

Let me say this. When I went to West Virginia 33 years ago, I went as something called a VISTA volunteer, sort of an untrained social worker trying to do good in West Virginia. I worked in a small coal mining community, and my life at that point was involved entirely with children who did not have any health insurance, or any education, for that matter, because the schoolbus would not come to pick them up.

Something that has stayed with me forever, since I was a VISTA volunteer, which I have acted on in terms of moral angst and fervor since then, has been the condition of children, particularly regarding health care. I have to report that the children of the children with whom I was a VISTA volunteer do not have health insurance. In fact, 12 percent of our children in West Virginia do not have any health insurance.

We talk about the most industrialized nation in the world, and that is true, but when you think of certain situations on a case-by-case basis, how can it be that, as a society that has our resources and our capacity, that takes 10 million children, and says they cannot have health insurance even though the majority of their parents are working, it is not fair. America and democracy are based like the progressive income tax, on a concept of fairness. To take 10 million children, most of whom have a parent or parents working, playing by the rules, paying taxes, and saying you cannot have health insurance because the person for whom your parent works does not provide health insurance and you, on your own, cannot afford it, and therefore you—this particular child—are not going to have health insurance, is fundamentally morally repugnant. I think every Senator, in fact, would agree with that.

So here we have a marvelous opportunity to help them, and not only to help them in this amendment, but to help them in the budget agreement.

Mr. President, if your heart does not persuade you to this position, your head ought to. That point has been made. That is, we are talking about preventive medicine for the budget in the future, as well as preventive medicine for children in our immediate time. How can we expect these children to excel at school; how can we expect them to perform at school and learn the skills they need if they do not have basic health insurance?

Between 1987 and 1995 the percentage of children with job-based insurance actually declined from 67 to 50 percent. Every minute that goes by, another child loses his or her private insurance.

This is the year that can make history for Republicans and Democrats alike. It can be the year remembered as the one we prove that we can do something, together, about a problem we all

acknowledge, we all know doesn't make sense, and we all say needs a response.

I want to congratulate the Hatch-Kennedy amendment because it takes the next step. Senators HATCH and KENNEDY once again have paved the way for true bipartisan, common sense action in an area where Americans are very clear. Children count. Even better news is that this partnership of two Senators reflects broadening support and momentum that now must build into real results. The budget resolution before us includes $16 billion to expand health care. Money that can fund the Medicaid-based bill that Senator CHAFEE and I have proposed to expand coverage for children, with the bipartisan support of many of our colleagues.

This amendment should pass. The Hatch-Kennedy amendment takes the next step, with the money to make it possible to get most or all uninsured children the health care they need.

I am in the leadership on the Democratic side over here, and I am voting against virtually all amendments to protect the integrity of the budget agreement. But this amendment, as Senator HATCH said, is a big daddy. It is a big, big daddy. We are discussing health care, again, on the Senate floor, and we are discussing it for children, which is the place where we ought to be beginning.

I have spent too many years in a State that I love, in a country that I love, as president of the National Commission on Children, going around this country, going around my State, seeing children who do not have health insurance, seeing what happens to them, to not be extremely supportive of an opportunity to pass an amendment and to cure that problem.

Mr. DOMENICI. Mr. President, I want to yield to Senator FAIRCLOTH such time as he needs. I yield up to 10 minutes.

Parliamentary inquiry, how much time does each side have on the amendment itself?

The PRESIDING OFFICER. On the amendment, the Senator from New Mexico has 28 minutes and 52 seconds, and the Senator from Utah has 20 minutes.

Mr. DOMENICI. We do intend on our side to use time off the bill in further debate so Senators should not be concerned on our side about the 28 minutes. I will yield off the bill.

We should be debating back and forth, and when it is our turn again, I ask unanimous consent that Senator JUDD GREGG be recognized to speak next and he be given up to 15 minutes.

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

The Senator from North Carolina.

Mr. FAIRCLOTH. Mr. President, I rise to voice strong opposition to this amendment because it simply is another tax on the American family. It is a tax increase, Mr. President, nothing more.

This is a $30 billion solution to a far less expensive problem. The budget agreement already sets aside $16 billion over 5 years for children's health insurance. That will extend coverage to 5 million uninsured children.

Further, there are 3 million children that are now covered under Medicaid who, quite simply, have not yet been signed up. There are estimates of 2 million more uninsured children, and, of course, they can be covered for far less than $30 billion. Consequently, Mr. President, this $30 billion tax package is nothing more than an old-fashioned tax increase.

We sit here and we hear it is a great opportunity. However, Mr. President, has there ever been a tax increase that was not an opportunity to further gouge the working people of this country? Sure, it is always good politics to give a speech about tobacco, and the cameras love it. But this vote is not about tobacco, Mr. President, it is about a tax increase. It is not about children, Mr. President, it is about another tax increase on the American people.

I remember sitting in the House Chamber at President Clinton's State of the Union Address in 1995. He said that ''the era of big Government is over.'' The President campaigned for a middle-class tax cut in 1992 and 1996.

I recall that we insisted that Government live within its means. I remember that the people wanted less Government, not more. That is what the election was about. We told them we would balance the budget and cut taxes.

Mr. President, nobody campaigned on a $30 billion tax increase, but we did campaign to cut taxes. The President did, too. This tax increase would reduce the net tax cut to $55 billion. That is not the tax cut that we promised the American people. We promised to do better, and we can do better. The American people deserve better than a watered down tax cut. We give with one hand and we take with the other.

This $30 billion tax increase is not the sole cost to the American people of this bill. No, Mr. President, the costs go farther. Tobacco is used in the calculation of the Consumer Price Index. Since the tax will increase the cost of tobacco, the Consumer Price Index will rise, too. A portion of the Federal budget is based upon the Consumer Price Index. This will have an impact of $4 billion over 5 years. This is $1.4 billion over 5 years in lost Federal tax revenue, lost revenue, and another $2.6 billion over 5 years in increased expenditures due to the CPI rise.

This is a plan that attaches a $30 billion tax increase to an unfunded mandate no less. It will force additional costs upon the States. Not only will it cost the States more money, it is going to dry up one of their major sources of revenue, tobacco tax revenues. This $30 billion tax increase will reduce sales, and that drop will reduce the tax revenues to the States by $6.5 billion.

The first bill we passed in 1995 was the Unfunded Mandate Reform Act. It passed the Senate with 86 votes. But this is simply an unfunded mandate coming around the backside disguised as something else.

It is like all of these new programs that come out of Washington. At first the Federal Government picks up a major portion of it. However, when the costs of the new program rise, the States will be responsible for the ever-growing difference between the Federal Government share and the program costs.

The entire proposal is just another unfunded mandate, a new law thrust upon the States, and one not paid for in Washington.

This amendment places more than 30 new mandates on participating States. Thirty new mandates. It requires all State plans to be approved by the Department of Health and Human Services. This means more big Government, more bureaucracy. If States fund abortions through their Medicaid Program, for example, this will force them to pay for abortions for teenagers that come in under this new program. The States cannot set up two different sets of benefits.

Like every other Federal program, the costs will go through the roof, and the taxpayers will be left holding the bag to pay the bill.

Why? So we can run back home and tell people we stood up against tobacco. We will not go back and tell them that we levied a $30 billion new tax on them and drove some farmers from the land. We were strong. We stood up against tobacco.

But this is the type of unfunded mandate that we were supposed to stop with S. 1 in 1995. But just 2 years after we passed it, here we go around the back to pass another mandate on the States. And that is simply what this is.

Mr. President, I also hear some grumbling about the small tax cuts in this budget package. I think the tax cuts are too small for working families, of course, but some of the grumbling comes from Senators who are concerned about the ''distribution'' of the tax cut. Mr. President, the cigarette tax is the most regressive tax on the Federal books.

Families making under $30,000 per year earn 16 percent of the national family income. They pay slightly over 1 percent of the Federal income taxes. But they pay 47 percent of the tobacco excise tax. This bill increase taxes on families making less than $30,000. We are going to increase their taxes by $230 a year.

If we were thinking about putting a tax increase on families making less than $30,000 a year from any other source than tobacco, the Senate would rise up in righteous revolution. Yet, under the guise of getting the tobacco farmers, so many of them acquiesced.

These taxes are so regressive that high- and low-income families pay almost exactly the same amount of tax rather than the same rate of tax.

This is the most regressive tax on the books. I find it odd that some of the

biggest supporters are the same people preaching equity in the tax relief package. If ever there was an inequitable tax, this is it, but I don't hear their complaints.

Mr. President, we have a plan that raises taxes by $30 billion, and changes the Consumer Price Index to result in $1.4 billion in lost Federal revenues, and $2.6 billion in increased Federal spending. It reduces State tax revenues by $6.5 billion, and it wipes out 30,000 jobs, which means hardship and pain for families across the South.

So, in an attempt to insure 2 million children, we are looking at a $40 billion package.

I support efforts to bring coverage to these children, but this is not the right approach, and the taxpayers deserve a seat at the table here.

I ran for the Senate and promised the people of my State that I would not vote for any tax increase under any circumstances at any time for anything. I intend to live by my commitment and to oppose this massive tax increase and assault on North Carolina farm families with all the strength within me.

Mr. President, I yield the floor.

Mrs. MURRAY addressed the Chair.

Mr. LAUTENBERG. Mr. President, I yield 5 minutes to the Senator from Washington off the resolution.

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

Mrs. MURRAY. Thank you, Mr. President.

Mr. President, I rise today in strong support of the pending amendment. I am pleased to join with the Senators from Utah and Massachusetts in supporting this bipartisan effort to launch one of the most important health initiatives since the creation of Medicare in 1965.

At the start of the 105th Congress both the Democratic and Republican leadership included comprehensive children's health insurance legislation on their agendas for action. I applauded this decision and believe that the amendment before us today moves us closer to enacting universal children's health care legislation.

Mr. President, as a member of the Budget Committee I have been actively involved in the negotiations and difficult decision, that resulted in this bipartisan balanced budget agreement which will control spending, encourage economic development and balance the budget in 2002. And I have been an adamant proponent of Medicaid and the need to maintain the health safety net for millions of children, pregnant women, the disabled, and senior citizens. Because of my role in the development of this agreement I recognize the fact that there is little room in the current confines of the budget to significantly expand Medicaid or other health discretionary programs to serve the 10½ million children who today lack any health care coverage. We cannot simply turn our backs on these children and their working parents. If children are truly our priority, we must be more creative in finding appropriate solutions.

The amendment before us will do just that. It will allow for an increase in the cigarette tax to fund a program that helps working parents purchase health insurance for their children or offset the cost of premiums, copayments or deductible for employer provided health insurance. It does not create a new Federal entitlement program—it relies on the private insurance market as opposed to a Government run plan. In many ways it is very similar to the structure of the Medicare Program which we all know is one of the most successful public/private programs currently administered by the Federal Government.

This amendment will not hinder the enactment of a balanced budget plan. It does not add one dime to the deficit, as it is entirely funded through the cigarette tax. It is fiscally responsible and does not violate any part of the bipartisan balanced budget agreement.

Some are arguing that we do not need to enact this act as the agreement will provide an additional coverage for 5 million children. While this is an important first step, who wants to tell those other 5½ million children that they will lose in this agreement? These are real children who are in our classrooms, in our homes, in our streets, and in our communities.

Today, we have the chance to provide real security for working families and to make a positive step forward for all children in our country. I believe we have a moral obligation as adults to address the growing health care crisis facing these 10½ million children, children who have no direct access to quality comprehensive health care, children whose only exposure to health care is the emergency room. In town hall meetings and community meetings across my State, the people I represent have told me that children and their future must be our priority.

Mr. President, I think it is important for us to realize that, if enacted, this proposal would actually have a more positive impact on the deficit than will ever be scored by CBO. A sick child cannot succeed in the classroom and becomes an unhealthy adult with few economic opportunities. As we learned a long time ago from the WIC Program, a little prevention goes a long way. Providing affordable comprehensive health insurance coverage for millions of children will pay huge dividends in the future. It does little good to help communities develop the classroom of the 21st century when children are suffering from diseases and illnesses of the 19th century.

I hope all of my colleagues will support this amendment so that we can move one step closer to ensuring that no child goes without necessary medical treatment and that every parent who works hard can provide health security for their children.

Today, let us make the same commitment to our children that we have made to senior citizens by protecting the solvency of the Medicare system. I urge adoption of this important amendment.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from New Hampshire.

Mr. GREGG. How much time remains?

The PRESIDING OFFICER. The Senator from Utah has 20 minutes; the Senator from New Mexico has 17 minutes.

Mr. GREGG. I yield myself such time as I may consume off the underlying bill.

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

Mr. GREGG. Mr. President, I rise in opposition to the proposal that has been brought forward by the Senator from Utah and the Senator from Massachusetts. I oppose it on a variety of different levels, and let me talk about them.

First off, let us go back to where we stand here. We have before us a budget agreement, a bipartisan budget agreement that was worked out in negotiations, extensive negotiations, between the White House, the Republican leadership of the House and Senate, and the Democratic leadership of the House and Senate, at least relative to the Budget Committee, and that agreement included in it language to address the issue of uncovered children who are of a low income. Let us define the size of this issue for a second because there has been a lot of misrepresentation on this so far on this floor.

There are about 9.8 million kids who it is believed do not have insurance, or about 13.8 percent of the child population of the country. Of that group, 3.7 million are qualified to be covered by Medicaid. In other words, under the law that we presently have, they really do have insurance; they just have not been brought in under Medicaid. So we do not need a new law to cover those kids. And of that number, that 9.8, we have reduced it now by 3.7 and you are down to 6.1. Of that 6.1 that is left, about 2.9 million are over 200 percent of poverty—over 200 percent of poverty—which means that the family has an income of some ability and for some reason they are not using that income to cover those children.

So the number of kids that are under 200 percent of poverty who are uncovered by Medicaid is really 3.2 million. So that is the population we are talking about.

Now, in this bill, the bipartisan agreement that was reached, approximately $16 billion was set aside to cover children of low income who are not covered. That is a very significant commitment and certainly more than enough money to pick up 2.9 million children—to pick up the 3.2 million children who are uncovered today and to also make sure that in the Medicaid accounts we can pick up those children

who are covered today under Medicaid but have not been brought in under Medicaid.

So this bill as it is proposed, as it was brought forward, the bipartisan agreement as it was brought forward already had in it a very substantial commitment to children who do not have health insurance who are in low-income families.

What else would you expect? Essentially, one of the great insults of this amendment, one of the great insults of this amendment is it is saying that the President of the United States, who reached this agreement on this budget, does not care about children, does not care about uninsured children. Essentially, that is what one of the underlying tones of this amendment is. Or I suspect some of the authors of this amendment feel this way anyway, that the Republicans do not care about uncovered children, which I would argue is totally inaccurate and inappropriate but maybe from a partisan standpoint is a point made.

It is ironic that one of the elements of this proposal is a representation that the bipartisan budget package, which has in it $16 billion specifically directed at children who are not presently receiving health care insurance and who are in low-income families, is not enough, that the President did not know what he was doing; that he does not care; therefore, we have to have this brand new layer placed on top of the package.

It really is a position which is hard to defend just on its face. But on the face of its indefensibility let us go into the substance of it because the substance of this proposal is totally indefensible.

There has been a representation made that this is a discretionary program. If this is a discretionary program, my golf game is the same as Tiger Woods'. They are about as closely related. The fact is that this is not a discretionary program or anywhere near in the ballpark of discretionary programs. This is a mandatory unfunded mandate on the States. It is a mandatory program on the Federal Government. It is a program which is grossly underestimated in its cost because of the impact it will have on the marketplace in taking kids who are already in the private-sector insurance realm and moving them onto the public-sector realm.

It is a classic big Government solution to a problem which ironically the bipartisan budget agreement has addressed not only with dollars but with initiatives to try to give the States the creativity to take this issue on and which the States are today actually taking on and resolving. And I will get into that in a second.

But let us go back to this complete red herring, that this is some sort of discretionary program. Now, the proposal as it comes to us is in vague terms so we have to go back to the bill that was introduced by the Senators who are the authors of this agreement in order to find the underlying language which defines the program. That bill is not included but it is obviously assumed, and if you go back to section 2802 of that bill, this sets up the new entitlement. In the bill in this section a State must—it does not say ''may.'' ''May'' is a discretionary word. ''Shall'' is not a discretionary word.

It says, ''The States shall guarantee issuance of Medicaid level benefits to all eligible children.'' And not only do they say ''shall,'' they cover that ''shall'' with all sorts of restrictions; 39 times in this bill the States are told what to do. They shall do this, they shall do that, they shall do this. Every time it says that, every time it says that in the bill, it is a mandate, and every time it says it in the bill it is a major cost. Section 2803 is where the shalls begin.

Now, not only are the folks who drafted this bill not satisfied with creating a mandate on the States—and I will get into the unfunded aspect in a second—not only are they unsatisfied with creating a mandate on the States, they decided let's create a new mandate. Let's do it the old-fashioned way. Let's not only mandate what the States have to do. Let's mandate the private sector at the same time.

This bill includes a private-sector mandate that says essentially, depending on how a State defines its Medicaid eligibility rules, every private employer in the State must supply health care benefits at the same level as Medicaid to children.

Wow. This is a big-time, old-fashioned Government proposal. This is right out of the old 1960's school of Lyndon Johnson, how you make Government gigantic and how you make Government not work, I would point out, because one of the things we found out is that when we create one of these massive new entitlements that absorbs a whole area of activity under Federal control—and this entitlement does exactly that, basically giving unbelievable authority to HHS, eliminating waivers for Medicaid, grandfathering the HHS regulatory structure. When you do that, what happens is that you create major Federal programs which fail.

Why do they fail? Because all the knowledge does not happen to come out of Washington. And what is happening in the States today is that you are seeing a tremendous amount of creative initiative to try to cover these kids who need to be covered.

There is no argument about coverage here. The bipartisan budget agreement states there will be coverage. The argument is about whether or not you are going to do it with a massive new federally dominated, directed, controlled and managed program or whether you are going to do it by allowing the States the flexibility of initiating programs and addressing the issue of the concerns of these kids.

This bill creates a brandnew, major Federal entitlement. It is not only a Federal entitlement in the classic sense of an entitlement on the States; as I mentioned, it is an entitlement that forces the private employer to take action, and that is a mandate, an unfunded mandate.

Of course, the first action which this Congress took when the Republicans took control of it was to say that we were not going to create unfunded mandates anymore. At least, if we were, we were going to require a supermajority. So this bill should be subject to a supermajority if it ever came up for a vote. But whether it is or not, it undermines the intent, which was to stop putting mandates on the States that are unfunded.

Now, why is this unfunded? Because, of course, there is this dollar figure that is attached to this. It is an additional $20 billion which is paid for by the cigarette tax—which is not the issue I am addressing, the cigarette tax. It is unfunded because of the way it is structured. It guarantees that the cost of this health care package will exceed the amount of money that is in the proposal—guarantees it. All we need to do is look at history. All we need to do is look at the CBO estimations of what would happen if you applied Medicaid coverage to a full group, to this targeted population. We know that the practical effect of that will be to exceed $20 billion by who knows how much, but it will be a heck of a lot.

So what you have created is an unfunded mandate. You have created a cap that says, all right, States, the Federal Government will require you to pay this money. We know it is not enough money, but we are going to require you to pay it. Then when we go over the amount of money that we are going to put into the package, well, you have to pay it yourself. You have to pay the difference. Unfunded mandate. And some will say, well, that cannot be.

Why would that be any different? If that is the case, doesn't the present budget agreement understate the amount of money that is necessary to cover these children? Well, the difference here is in the insidiousness of this agreement, of this proposal in its ability to draw people into a Federal program. Because the way this proposal is drafted, it absolutely guarantees for all intents and purposes that people will be moving out of private-sector coverage and into the public-sector coverage, that a lot of children who are today being covered by their employers, by their parents' employers are going to end up moving over to be covered by the Government.

Why is that? Because it is requiring a one-size-fits-all health care package be applied to all children, all children who fall in this income category, but, even more importantly, under the way this bill is drafted and interpreted, applying that same package could be required upon all employers within a State. So you are going to have a dramatic, what

is known as woodwork effect, where people move from the private sector coverage into the public sector coverage. It is just going to be overwhelming.

What employer in their right mind is going to say, ''OK, I am going to continue covering this parent's children,'' when the employer is already paying a huge tax burden and the Government is being told that they must cover this child if this child is not covered by the employer. Very few will be so altruistic. For all intents and purposes, what we are doing is federalizing the health care system—nationalizing the health care system, not federalizing; this is no Federal program, this is a national program—nationalizing the health care system for all children, for all intents and purposes, who fall into this category, the majority of whom, today—the majority of whom, today, are covered by private-sector insurance. So, the open-ended cost of this program is absolutely staggering—staggering. And the concept that the costs will be controlled to $20 billion is absurd on its face, equal in absurdity only to the claim that this is some sort of discretionary program.

How does our bipartisan budget agreement, which the President has signed on to and which tries to address these children's concerns, approach this issue? Essentially, what it does is acknowledge the fact that in the States there are some things going on that are working. Take my State of New Hampshire, for example. There are 33 States, I believe, that are pursuing this type of approach. Recognizing we have a targeted uncovered population that needs to be covered, we have set up this program called Healthy Kids. This is a partnership between the private-sector insurers and the State. In fact, at the present time it is hardly costing the State anything because it has gotten the private-sector insurers to come in and cover these children.

In the targeted area where they are doing the demonstration program, 50 percent of the kids who would fall into the uninsured categories which this bill alleges it is trying to cover are being covered at essentially no additional cost to the taxpayer—50 percent. It is a darned successful program. It would not be able to continue under this bill. All 33 States that have initiated creative programs to address children's health insurance would have their programs wiped out because we in Washington have decided to take over the issue, to nationalize the issue with this proposal put forward by our colleagues. So, a program which is insuring 50 percent of these kids at no cost to the taxpayers will be replaced by a program that will draw a whole new group of kids out of the private sector into the public sector to be covered and will, in the process, drive up costs dramatically and increase the taxpayers' costs dramatically, and, I would point out, for that 50 percent of the kids who presently have coverage under the Healthy Kids Program, will have almost no impact on their quality of health care.

So, what our bipartisan budget proposal puts forward—not ours, the one put forward by the President and the leadership of the Senate and the House—is to allow these types of initiatives to proceed; not with as much flexibility as I like, and I may offer an amendment to give these States more flexibility, but with a heck of a lot more flexibility than is proposed by this straitjacket of mandated unfunded mandates in this bill that is the underlying essence of this proposal.

So, why not let the States try to do it? Why not say to the States: All right, there is a population out there that is not covered. See what sort of programs you can come up with to cover them and meet these limited criteria, criteria that they have to be covered under a certain health care structure. It is working, working in 33 States, but it will not work after this bill is passed.

Let me read part of a letter I received from the deputy commissioner of health and human services in New Hampshire, who is a professional. She is not a political appointee. She is a professional. She was looking at this question of how we address these kids who are in need, and thinking of the Healthy Kids programs that we have in New Hampshire and evaluating the various programs. Here is what she stated was the core of the need, in the way the Congress should approach this issue. She says:

> Consideration must be given to balancing the financial incentives provided in the States to implement health care expansion while retaining sufficient flexibility for innovation. There are multiple [multiple, a word which appears to have escaped the concept of this bill] multiple strategies to extend health care coverage to the uninsured, including preventive, catastrophic coverage options. Please recognize the efforts that are currently underway in many States across this Nation and their value in promoting our common goal, extending health care to those that currently have none.

Basically, what she is saying is what I suspect every administrator of health care at every State agency of health and human services would say if you asked them. It is their goal to cover the kids who are not covered. What the bipartisan budget agreement does is fund that ability. What the proposal before us does is deny that ability, relative to flexibility at the State level, and to take out of the hands of the States the ability to manage this issue in any way, shape or manner, and to nationalize the health care delivery of—essentially all children who fall within this income category, but potentially even a dramatically larger group of people, if the bill is applied to private employers, as I happen to believe it will end up being under its present language.

So, this bill—which is brought forward to us as some sort of proposal that is a discretionary program just meant to help kids who do not have coverage—will, in my opinion, have the practical effect of not only not accomplishing its goal, because it is certainly not discretionary—and I do not think it is going to help any more kids than would be helped under the bipartisan budget agreement structure as is proposed—but it would create a massive new entitlement, a massive new unfunded mandate, a massive new federally directed regulatory structure, and would essentially emasculate the private sector's efforts to respond to this area, and private insurance as it presently covers these children.

I can't think of any program which would be more counterproductive and, put in the context of the history of other nationalization efforts, will be less successful than that. I mean, essentially we have been down this road. We have been down this road and we found this type of approach to solving national problems does not work. Having the Federal Government come in and take things over does not work. This budget agreement attempts to address this issue constructively. It funds, at the level of $16 billion, children who do not have health insurance coverage, yet it leaves some modicum of flexibility with the States to address the issue. So, I find this proposal to be not only not compelling, but to be extraordinarily counterproductive to its underlying goal, which is to obtain fiscal responsibility and to cover children who do not have health insurance.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I yield 10 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I see Senator MIKULSKI and Senator REED, who have been very patient and want to address the Senate on this issue. But I see my friend and colleague and principal sponsor, Senator HATCH, on the floor. I would like to take maybe 2 minutes in response to the Senator from New Hampshire, but I will be glad to yield to the Senator from Utah.

Mr. HATCH. Mr. President, I thank my colleague from Massachusetts, and also the vice chairman of the Budget Committee.

I was very interested listening to the Senator from New Hampshire, his journey from 10.5 million unfunded children, down to the 3.2 million he says are truly uninsured. First off, the Senator says that 3.7 million are Medicaid eligible.

The PRESIDING OFFICER. Is the Senator from Utah speaking on his time?

Mr. HATCH. I am speaking on Senator KENNEDY's time.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. First of all he says he's down to 3.2 million that he says they are truly uninsured. First off, the Senator says the 3.7 million are Medicaid

eligible. That's what he said. But here is what the CBO said: 10.5 million uninsured kids, 3 million Medicaid—let me just read it right out of there. Here is what the CBO says:

According to widely quoted estimates, about 10.5 million children through the age of 18, or 14 percent, are uninsured. At least 3 million of them are thought to be eligible for Medicaid.

That is the CBO. That is what we rely upon around here. So my friend from New Hampshire is using numbers somewhat different from the CBO. I still do not understand how anyone can seriously believe that $16 billion is adequate to take care of 10.5 million uninsured kids. I will go into that for just a minute, but let me just say this.

First of all, the amendment we filed is not a bill, it is strictly numbers. A bill will have to be formed from it. The question is whether we should fund beyond the $16 billion provided for in this bill—which I praise, but which is totally inadequate to do what many of us in this body would like to do, including many on this side. Over time, I think that will be the case.

Let me just make this case. By the way, talking about mandates, that is not part of our amendment. It was not part of our bill either. I might add, it is pretty tough to call a block grant to the States with the States setting eligibility standards a great big bunch of new Federal bureaucratic Lyndon Johnson type things. We fought very hard to get to a block grant status.

I remember the same type of arguments I went through on child care a number of years ago, until it passed unanimously on the floor here. The reason it did is because it was right and it did what was right. And our goals here are right. And they do what is right. And it is time for people to wake up and pay attention and do something about these problems.

Let me just talk about the Medicaid cuts in the budget. It makes sense that the $16 billion children's health initiative in the budget will be put back into the lowest income children. I commend the Budget Committee for that, particularly those eligible for Medicaid, since the budget agreement cuts $14 billion out of Medicaid.

Much of the $14 billion is expected to come from cuts to the disproportionate share of hospital payments, or DISH, which are funds to States to reimburse those hospitals which serve a disproportionate share of Medicaid and other low-income patients.

So the loss to children, where they have taken from DISH to get $16 billion, is somewhere between $7 billion to $10 billion. So it is not a full $16 billion. We are robbing Peter to pay Paul. That may be justified. I still commend the Budget Committee for trying to do something here, but it certainly does not cover the problems that some are saying it covers.

These cuts are taking away money that the States currently have to ensure that children, the elderly and the disabled are cared for in the hospitals. Reducing these funds, as I have mentioned, will likely hurt children if additional funding is not put back into the Medicaid Program to care for these children.

Without the additional funding in the Medicaid Program, States will be forced, or may be forced, to cut back on services to children, and I estimate that to be $7 billion to $10 billion. It may be more.

The Budget Committee made a good start by allotting $3.2 billion a year over the next 5 years to the Finance Committee to cover children's health, to cover those eligible for Medicaid and to strengthen Medicaid. Let's be realistic what the $3.2 billion a year can and cannot do.

I think it is important my colleagues understand the Congressional Budget Office is coming in with very conservative estimates on the number of children who will be served under various congressional proposals. For example, CBO estimated the Medicaid 12-month, continuous eligibility proposal will cost $14 billion if implemented by every State. That alone is almost all of the money in the budget resolution. CBO has also told us they estimate the cost for a child-only insurance policy to be somewhere between $1,000 and $1,200 a year. If true, the average $3.2 billion a year in the budget would only cover about 3 million kids, far short of the 5 million targeted in the resolution and still 5 million short of those who need to be taken care of.

Or, if you look at it another way, the Federal share of Medicaid costs for a child is about $860 on average this year. According to the Employee Benefit Research Institute, there are 4.7 million uninsured children whose parents make less than 125 percent of the Federal poverty level. That is $19,500 for a family of four. We, who make $134,000, continually complain about how hard it is to maintain two homes here and there and pay for all the things we pay for. Can you imagine what a family making less than $20,000 can do?

By simple calculation, to cover those kids under Medicaid would cost $4.2 billion, about $1 billion more a year than is included in the budget resolution, and that is just some of the kids. This still would leave the vast majority of children of working parents above the 125 percent of poverty level uncovered.

While $16 billion is a substantial start, and I commend my colleagues, as I have just shown, it is just not enough to do the whole job.

Some will point out our original bill called for $20 billion in spending. They will ask, why is more than an additional $4 billion needed? Are you saying that this is a $36 billion problem, and, if that is so, why didn't you ask for that originally?

These are fair questions. Let me answer them.

The short answer to this concern is that we need these resources to help the next generation of Americans to be healthy adults. The fact is that the $16 billion in the budget resolution is not enough. When Senator KENNEDY and I originally introduced the CHILD bill, we set a spending limit of $20 billion for services and $10 billion for deficit reduction. We hoped to target up to 5 million families not on Medicaid—I said not on Medicaid—and that is important.

We are also cosponsors of the Chafee-Rockefeller-Jeffords CHIPS bill, which is estimated to cost at least $15 billion, perhaps even more. This Medicaid bill is targeted to help 5 million kids, although there are already about 3 million of Medicaid-eligible children who are not enrolled. So we see these two bills as compatible—the CHIPS bill improves basic Medicaid, and our bill would be added on top of that.

There is, obviously, a close connection between the two. That is why, in our amendment, we decided to divide the money equally between each of the two committees, Labor and Finance, to work out an integrated approach. So to make wild comments that this bill is going to mandate this, mandate that, take away the powers of the States, when the original Hatch-Kennedy bill does not do that, is irrelevant to this debate, because if we adopt the Hatch-Kennedy amendment, we will have enough money to make a real dent in these problems.

The fact is that $16 billion is a good start, but let's not kid ourselves, it is not enough, especially combined with the Medicaid cuts in the resolution, and that is why our amendment should be adopted.

I understand that the Senator from New Hampshire and others are opposed to my CHILD bill. Most of his reasoning is wrong, though, but we will debate that at a more appropriate time when we actually get to fleshing out a CHILD bill.

This is not a vote on the CHILD bill. Our amendment intends that the money be used for the same purposes as those outlined in the bipartisan budget agreement. That is, for one or both of the following: Medicaid, including outreach activities providing continuous 12-month eligibility, restoring eligibility for disabled children losing SSI under the welfare bill, and, this is also part of the budget resolution, a mandatory capped State grant program to finance health insurance for uninsured children. That grant program will be designed by the Labor and Finance Committees. We hope it will be like the CHILD bill, but it may not be. But we are going to work to try and make it what we said we would do.

Under our amendment, $18 billion in program funding will go to the Labor Committee. Will the Senator yield me 1 more minute?

Mr. KENNEDY. I want to yield to two other Senators and make a brief comment myself. I do not know where we are on time. I want to take 1 minute to respond to the Senator from New Hampshire and then yield to my colleagues.

Mr. HATCH. May I have 1 more minute to finish my remarks?

Mr. LAUTENBERG. I yield 5 minutes more to the Senator from Massachusetts.

Mr. KENNEDY. I yield another 2 minutes, and I will take the last 3 minutes and yield to my colleagues.

Mr. HATCH. Mr. President, under our amendment, $18 billion in program funding will go to the Labor Committee and $2 billion to the Finance Committee to be added to the $16 billion already in the budget resolution. That means that each committee will get $18 billion to work on complementary programs to help the poor and the near poor. We will have to work out the legislative language. I hope it will be like the CHILD bill that we have worked so long and hard to make a possibility. But what we are voting on today, if and when we do, is the right to have enough funding moneys to take care of these kids who are the poorest of the poor families not on Medicaid who cannot do it otherwise.

Of all the criticisms of our bill, I am perhaps most dismayed by the charge that this bill creates an entitlement. In sharp contrast to last year's Kennedy-Kerry bill which was an entitlement, I succeeded in persuading my cosponsor TED KENNEDY, one of the most liberal Members of the Senate, to agree to the following provision:

> NONENTITLEMENT.—Nothing in this title shall be construed as providing an individual with an entitlement to assistance under this title.

Don't words mean anything anymore?

Moreover, not only does this bill make clear it is not an individual entitlement program, participation is clearly voluntary on the part of the States. In fact, even if an individual is eligible under the State's own eligibility criteria, section 2822(d) of the bill ensures that there is not a requirement for any subsidy to the individual should there be insufficient program funds available. This can be contrasted with programs such as Medicare or Medicaid, which guarantee we will pay for the services of every eligible beneficiary. In fact, the bill states specifically that.

Some have interpreted the language that states:

> Shall ensure that children's policies are available to all eligible children in the State and that each eligible child has the opportunity to enroll for coverage under such policies.

as an entitlement.

It is true that a State that chooses to participate by negotiating a contract with one or more insurers must make sure that children in the State can get that policy. What good is health insurance availability if those who need it don't have at least the opportunity to get it? However, there is no requirement that the State subsidize that policy in any way unless the State chooses to do so by the eligibility criteria it sets. And there is no requirement that the insurance policy be available to nonsubsidized children at the price negotiated by the State for the subsidy program.

To be fair, some may object to this provision, but it is in no way an entitlement. Again, the State chooses whether or not to participate, as does any individual insurer.

Finally, the point has been made that the bill would increase Federal mandatory spending by $20 billion over the next 5 years. That is true. This provision was inserted to made certain that the revenues generated by the companion legislation (S. 526) which increases the tobacco excise tax would be used to fund the CHILD bill and not for some other program. If there is a better way to write that language to make clear it is not an entitlement, I am open to suggestions.

I find it curious that many of my colleagues have been arguing against the fact that my bill calls for mandatory spending, calling the mandatory nature of that spending the equivalent of an entitlement.

Yet, the budget resolution we debate today includes funding for a mandatory capped grant program to States.

If ''mandatory'' equals ''entitlement''—which I believe it does not—then the bipartisan budget agreement establishes a new entitlement.

But we all know that is not the case.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

The Senator from New Hampshire is my friend and my colleague. However, as is sometimes seen around here, someone misstates what is in the bill and then differs with it. That is what has happened here.

When I was listening to the Senator from New Hampshire describe the bill, I did not recognize it, because this is not an entitlement. No individual will ever be able to receive any kind of benefit on the basis of an entitlement. Participation is voluntary for the States and it is authorized for just 5 years. It is completely funded, and it provides the kind of flexibility to the States that will allow them to build on what thy are currently doing.

Let us not lose sight of what the issue is before the Senate this afternoon: Will we support the Hatch-Kennedy bill that will provide the resources to ensure the sons and daughters of working families in this country? That is the issue. You can talk about other kinds of issues all you want, but every American understands this one. When you come right down to it, this is the issue.

We are providing the opportunity. We are saying, ''Let us stand up for the children of working families and pay for it with a tobacco tax, which is basically a user fee.'' That is the way to address this issue, by building upon the agreement that has been spelled out here. Covering the Medicaid children will make a difference, but let's build on that and cover the children of working families.

I yield to the Senator from Rhode Island. I see that he wants to speak about this issue.

The PRESIDING OFFICER. The Senator from Massachusetts has 2 minutes remaining.

Mr. LAUTENBERG. I will yield 5 minutes to the Senator from Rhode Island.

Mr. DOMENICI. Mr. President, it is our turn.

Mr. LAUTENBERG. I stand corrected.

Mr. DOMENICI. Senator HAGEL has been waiting for a while.

Mr. LAUTENBERG. No problem. The understanding is Senator DOMENICI has the time next.

Mr. DOMENICI. Can I inquire, how much time is left on the amendment?

The PRESIDING OFFICER. The Senator from Utah has 20 minutes remaining; the Senator from New Mexico has 17 minutes remaining.

Mr. DOMENICI. How much time would the Senator like?

Mr. HAGEL. Five minutes.

Mr. DOMENICI. I yield up to 10 minutes to the Senator from Nebraska, and I want to take that off the resolution, Mr. President.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 10 minutes.

Mr. HAGEL. Mr. President, I rise today to voice my strong support for Senate Concurrent Resolution 27. I want to begin by applauding the dedication of the Budget chairman and all those who have worked so diligently over the last few months to craft a budget that makes some sense and for bringing this balanced budget to the floor.

I want to speak in more global terms about this budget issue. I have not been around here very long. It seems to me that if we continue this ''what if'' theory and ''one more amendment'' theory to budgeting, we will never get there.

The fact is, at least in this humble freshman Senator's opinion, that the real challenge to this country over the next few years, well into the next century, is like this: It is the prioritization of our resources. If we are going to do that, then we are going to have to have some framework that makes some sense, that disciplines this Congress, disciplines this body. We have been an undisciplined Congress for 30 years, and what Chairman DOMENICI and the President and the leadership on the Democratic and Republican sides in the House and the Senate, and all those who have been part of this process have brought to this floor is something that makes sense.

This is a historic budget. We have not been able to craft this kind of a budget for more than 30 years. We should not forget this point as we debate this budget.

Is this a perfect budget? No. I think it is a good budget. Over the years, Mr. President, like many of my colleagues and most Americans, I was running my

own business and paying taxes. Like most Americans, I was doubting whether this Congress had the will and the discipline to ever balance the budget. Now we have an opportunity to do what many thought would never happen, and that is to pass a balanced budget.

What also makes this budget significant is it cuts taxes. I, like many of my colleagues, know how difficult it was to craft such a budget. I also know, like in my campaign last year and the campaigns of others, that people said you can't cut taxes, you can't cut spending and balance the budget. Well, we can. That is what this is about.

Mr. President, there is a reason that more Americans believe in Santa Claus than believe we can actually balance the budget. We are at a crossroads in governance. We are at a crossroads in leadership. If we allow the further erosion of confidence of the American public in this body, this Congress, trust and confidence to do the right thing, to balance the budget, then it may be some time in getting it back.

I don't doubt the sincerity of my colleagues, Senators HATCH, KENNEDY, and others. I applaud what they are doing. But if we continue to proceed with amendment after amendment after amendment, I don't know what we would do at the end of the day. These are issues that should be debated in the appropriate forums. If we are not careful, we will undo a very delicate balance in coming to this budget agreement.

I will support this budget, but I will not support any of the amendments that are being offered. This budget is too important to our Nation and the future of our children to place it at risk with various amendments, regardless of how well-intentioned.

I urge my colleagues to defeat the amendments offered today and to support this balanced budget that so many people have worked so hard to craft and make work. This does include tax relief, spending cuts, and balancing the budget, putting this country on a responsible fiscal plane over the next few years. Until we bring some stability to our financial responsibilities and our fiscal responsibilities starting right here, then we will pay consequences for that.

I urge my colleagues to support Senate Concurrent Resolution 27.

I yield the remainder of my time.

Thank you, Mr. President.

The PRESIDING OFFICER. Who seeks time?

Mr. LAUTENBERG. Mr. President, I yield 5 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Thank you, Mr. President.

I want to thank the Senator from New Jersey for yielding me time.

I want to commend Senator KENNEDY and Senator HATCH for their leadership on this critical issue. I rise in support of their amendment.

Let us be very clear. What we are talking about today is providing health care for the children of the working families of this country. And despite the budget agreement's impressive commitment of resources to Medicaid, particularly for children's health care, it is not sufficient to cover all the children in this country. The Senator from Utah was very eloquent and accurate in describing the vast gap that is still left despite the resources being made available to Medicaid.

And why is it important that we provide health care for all of our children? Because every day we learn from medical science the critical—the critical—role of good health care in the development of children. Prenatal care, early infant care from zero to 3, and continuous health care for children are critical factors in providing for the intellectual and social development of children.

If children do not have that health care, if we do not allow these young people access to high quality health care, we are incurring a huge cost to society and a huge limitation on their potential and their ability to contribute to society.

Just last week, we celebrated the passage of the IDEA, the Individuals with Disabilities Education Act. Part of it was a further commitment of significant Federal resources for special education. I wonder how much we could save in that account if we had a fully funded comprehensive health care program for all the children in this country. I think it would be significant.

There is something else that is also very clear, and it is why this bill is so compelling in its logic. It is very clear that smoking is the No. 1 public health threat to this country.

One out of five deaths in this society are attributed to smoking. And, sadly, 3,000 teenagers a day are turning to that habit. This legislation, the proposed amendment, recognizes the need for good health care for all of our children, and the way to fund that health care is through an increase in the tax on cigarettes.

It is sound fiscal policy. It represents a pay-as-you-go strategy. Also, it represents a further deficit reduction because part of these funds will be applied to reducing the deficit. In effect, it is consistent with the very, very core of what we are about here today—providing access to good health care, sound policies for public health, and being fiscally responsible by reducing the deficit.

And there is something else worth pointing out today. Many of the opponents of this legislation will point to the dire consequences of increasing the tax on cigarettes to the tobacco industry and certain regions of the country. But let me share with you what the cigarette companies themselves are contemplating.

Weeks ago, when there was discussion of a possible settlement for some of the liability claims, most financial analysts conceded that the companies would routinely raise the price of cigarettes by 50 cents a pack, causing a slight decline in their number of customers—which some would consider a sound business decision. And I do not think there can be anyone on the floor of this body claiming an increase in the price of cigarettes by the companies as an unfortunate tax on low-income Americans. In effect, this tax is not only sound policy for funding this particular program, but also would not lead to the horrendous consequences which are being conjured up on this floor.

One of the opponents said that it is a regressive tax, because the richest smoker in America would pay the same as the poorest smoker in America. I can guarantee you, the richest smoker in America has a health insurance policy. I cannot make that same guarantee for the children of this country.

I urge my colleagues to support this amendment. It is sound public health policy. It recognizes that we must make an investment in our children for our own productivity as a Nation and for their own ability to seize all the opportunities of this country. The amendment also is sound fiscal policy because the cigarette tax pays for the program and reduces the deficit. I do not think we can ask for more in this budget.

I yield back the balance of my time.

Mr. MCCAIN. Mr. President, I share the deep concern of my colleagues for the approximately 10 million children in our country who are currently lacking health insurance coverage. It is distressing that such a large number of our children lack access to primary and preventative care. I find it even more disconcerting that recent reports indicate that about 3 million of these children are Medicaid eligible, but are not enrolled in this program.

However, after spending a considerable amount of time reviewing the proposal by my colleagues, Senators HATCH and KENNEDY, I sincerely believe that it is not the best solution.

There are several fundamental reasons why I can not support this proposal. First, I can not support a measure which would impose new unfunded mandates on the States and will place unfair burdens and excessive costs on our State governments. Second, I can not endorse a proposal which is creating another highly bureaucratic federal entitlement program.

Also while I do have some concerns about provisions contained in the balanced budget agreement and I am continuing to review this plan, I believe that if enacted, many portions are worthwhile and will be beneficial to the American people, particular in providing tax relief and imposing spending controls. However, I believe the Hatch-Kennedy proposal would jeopardize some of the most valuable parts of this piece.

The Republican leadership has worked hard to ensure that this agreement contains an appropriate amount

of tax relief for America's working families. The Kennedy-Hatch proposal shatters this agreement by lowering the net tax cut in the budget agreement from $85 billion to $55 billion over the next 5 years.

This proposal also fails to recognize that the budget agreement provides $16 billion for expanding health care insurance for low-income insured children. These additional funds will allow us to provide grants to the States to finance health care services to approximately 5 million children who currently lack coverage. Thus, about 5 million of the approximately 10 million children who are currently lacking coverage will now have access to health care under the bipartisan balanced budget proposal.

Now, my colleagues may argue this still leaves approximately 5 million children without coverage. However, we must remember that about 3 million of these children already qualify for Medicaid services but are not enrolled in this program. Therefore, I believe that we should first focus our efforts toward a bipartisan solution for developing innovative outreach programs to reach these 3 million children and their families, educate them about the Medicaid program, and get these children access to health care. This is an achievable goal for the near-term which we all agree should and can be achieved in the near future.

I have written the General Accounting Office and requested that they conduct a thorough analysis of the 3 million Medicaid eligible children who are not enrolled in this program. This analysis should provide Congress with a thorough profile of who these kids are, where they are located geographically and what their family environment is like. This detailed study will enable Congress with the necessary tools to develop the appropriate community outreach strategies and national education programs which will address this problem and assist in getting these children enrolled in the program and finally having access to very important health care services.

Providing access to health care for uninsured children has been a priority for me since coming to the Senate. In fact, I offered legislation in the 103d Congress which attempted to address this problem and provide access to health care for many of our Nation's uninsured children. This issue still remains a high priority for me in the 105th Congress. Currently, I am developing legislation which will concentrate on developing new innovative, strategic outreach programs to educate qualifying families about the current Medicaid program. In addition, it will incorporate creative solutions for creating an environment which provides low and moderate income families with access to health care for their children.

I sincerely believe that we must continue to work together to develop a bipartisan solution to this problem and find a way to provide access to health care for our Nation's uninsured children. I look forward to working with my colleagues in developing an affordable and equitable solution to this problem. However, I simply can not support this extremely expensive plan, which unravels the tax cut agreement between the administration and Congress, and creates another highly bureaucratic Federal entitlement program.

Mr. CHAFEE. Mr. President, I intend to vote for the Hatch-Kennedy amendment. It is paid for by a 43-cent-per-pack increase in the Federal excise tax on cigarettes. We must do everything we can to discourage smoking and to advance good health policy. In my view, this does both.

However, in doing so, I want to be very clear about my order of priorities in terms of addressing the children's health crisis in this country. If the Hatch-Kennedy amendment fails, and we do not get any additional spending for children's health initiatives above and beyond the $16.8 billion already included in this budget resolution, I intend to place all of my energies behind strengthening the very cornerstone of our Federal efforts to provide health insurance to poor children—the Medicaid Program.

My first priority will be to work in the Finance Committee to enact the Chafee-Rockefeller-Jeffords-Breaux bill which provide incentives—not mandates—to encourage States to expand their Medicaid programs to cover all children aged 18 and under, up to 150 percent of poverty. Through this voluntary Medicaid expansion, which now has the support of a majority of the members of the Senate Finance Committee, we can strengthen the system already in place across the country to reach up to 5 million more children. This is the most cost-effective way to proceed, does not create any new entitlement programs, and is a known quantity in every State.

What am I saying here? Let us strengthen the foundation before we build the building. In an environment of scarce resources, we must first work to reach the very neediest children through the Medicaid Program before we create other programs with potentially overlapping objectives. I would have a very different view if we had unlimited resources, but we do not.

I would now like to recognize Senators ROCKEFELLER and JEFFORDS to get an indication of their priorities.

Mr. ROCKEFELLER. Mr. President, as a cosponsor of the Hatch-Kennedy bill, I am extremely hopeful that this amendment will pass. If this amendment passes it will enable us to come very close to achieving universal coverage for all of America's children.

However, like Senator CHAFEE, if the Hatch-Kennedy amendment fails, then we simply must target our efforts in the Finance Committee at strengthening the Medicaid Program to achieve health care coverage for the children who should be our most urgent priority. The Medicaid Program has a proven track record in providing cost effective care and it has served as a vital safety net for millions of working families. Because of past bipartisan legislation that delinked the Medicaid Program from the welfare program, the vast majority of children on Medicaid have at least one working parent. In other words, these are children in families who are struggling to avoid welfare, play by the rule, pay taxes—but they are the ones who don't get health insurance for their children through their jobs and cannot afford it on incomes where ends barely meet.

So I look forward to working with Senator CHAFEE, Senator JEFFORDS, Senator BREAUX, and the majority of my colleagues on the Finance Committee who have already signed on to our bill, to expand coverage for millions of children in the most cost-effective, targeted way possible through the Medicaid Program.

Mr. JEFFORDS. Mr. President, the children of America need our help. Nearly 10 million children have no health insurance. Many of these children live in families with working parents who simply do not make enough money to afford health insurance.

In order to help address this national problem, I have cosponsored both the Hatch-Kennedy CHILD Act and the Children's Health Insurance Provides Security [CHIPS] Act. The CHILD Act would establish a State health insurance grant program and the CHIPS Act encourages States to provide uniform Medicaid coverage up to 150 percent of poverty for children of all ages. The combination of these two bills provides an integrated approach to ensuring that our Nation's uninsured children have health care coverage and does so in a way that is completely consistent with the policy language in the budget agreement.

I have serious concerns, however, that $16 billion is an insufficient amount to meet the health insurance needs of the 10 million uninsured children. I, therefore, will support raising an additional $20 billion through a cigarette tax. I believe using an increased cigarette tax as the revenue source is especially appropriate since it will have the added health benefit of helping to deter children from starting to smoke in the first place.

If the Hatch-Kennedy amendment does not pass, I will continue to work with my colleagues to develop a multifaceted approach that has as its first priority the strengthening of the existing Medicaid Program.

Mr. ROTH. Mr. President, of the 71 million children in our country some 86 percent have health coverage provided by private insurance or Medicaid. This is an impressive statistic. But it masks a problem. There are some 3.2 million children in families whose incomes are too high to qualify for Medicaid and too low to afford private insurance.

This is a problem that ought to be fixed. No child should be without

health care because his family can't afford to purchase coverage.

The basic task we face in fixing this problem is to provide health insurance to these currently uninsured children without jeopardizing the private insurance system that provides care to the rest of our children. The Finance Committee has the responsibility of deciding how to do this. As chairman of that committee I intend to report legislation that will address this problem.

The issue before us is how much money to dedicate to this activity. The budget agreement allocates some $16 billion to solve this problem. President Clinton supports this amount. The House of Representatives supports this amount. I believe this is the right place to start.

This budget agreement before us is a delicate compromise of many competing interests. I think it would be unwise for us to jeopardize this agreement by asking for more.

Mr. KOHL. Mr. President, I support the Hatch-Kennedy Child Health Insurance bill, but I reluctantly must oppose their budget amendment.

I am pleased that the President has secured over $16 billion to address the serious problem of children who lack health insurance coverage in this Nation. I believe that the funding allotted under the budget resolution for child health can and should be applied for the Hatch-Kennedy child health bill.

Mr. President, as a member of the Senate centrist budget group, I realize how difficult it can be to work across party lines to craft a budget plan. I was pleased to be a member of the Chafee-Breaux centrist group that crafted a fair and balanced budget plan. The budget plan that the centrists put together again this year is very similar to the bipartisan budget resolution we are considering today. I support this budget resolution and am concerned that the Hatch-Kennedy amendment would put the entire budget plan in doubt.

Although I will vote against this amendment, I believe we must enact legislation this Congress that expands health insurance coverage for children. The Hatch-Kennedy Child Health Insurance and Lower Deficit Act is at the forefront of the proposals that Congress should pursue.

The growing problem of children who lack health coverage is extremely troubling. A recent study drawn from U.S. Census Bureau data show that during 1995–96, there were 23 million children who did not have health insurance for all or part of the period. Surprisingly, 9 out 10 of these children lived in households where one or both parents worked. Although Wisconsin has the second best rate of insurance for our children, 23 percent, or over 330,000 kids were uninsured for at least 1 month over the 2-year period. This situation is unacceptable.

Helping families obtain health insurance coverage for their children is the next logical step to build on the success of the recent Health Insurance Portability and Accountability Act. It is an effort that is long overdue. The Hatch-Kennedy bill should serve as the model for the plan crafted during the remaining budget process and I will support Senator HATCH and Senator KENNEDY in their efforts.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, how much time remains on both sides on the amendment itself?

The PRESIDING OFFICER. At the present time, there are 20 minutes remaining in regard to the Senator from Utah; and the Senator from New Mexico has 17 minutes.

Mr. HATCH. Mr. President, I know there are some others who would like to speak on our side. But I really think everybody knows what is involved here. I am prepared to yield back the balance of my time if the other side is and go to a vote, let this thing be resolved at this particular juncture any way Senators decide to do it.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, both Senator MIKULSKI and Senator WELLSTONE are on the floor and want to address this issue. But I want to join in the observation of the Senator from Utah that I would hope that after they had a chance to speak on this that we might move ahead.

This is an important issue. We want the Senate to be able to express itself. We would like to move ahead if we have that opportunity. But we will not do that, I guess, at this time.

Mr. HATCH. I am prepared to yield back.

Mr. DOMENICI. I do not think we are going to do it at this point.

It is our turn for a speaker. We get a chance to speak on our side now. That is correct, is it not, I say to Senator LAUTENBERG?

How much time would the Senator like?

I yield 5 minutes off the resolution to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Mr. President, yesterday afternoon, less than 24 hours ago, in introducing this resolution, the distinguished minority manager of the bill, the Senator from New Jersey, had behind him a long and detailed chart from which he read all of the initiatives of his party, all of the spending programs of his party, that were a part of this budget resolution and were the justification for Members of his party who favored those spending programs to vote for and to support this resolution.

Mr. President, some of those proposals were also Republican proposals with which a number of us on this side of the aisle agree. Many of them however were not. Many of them represent Government spending with which we disagree, which we think is wasteful, money that we think ought to be returned to the people of the United States. Nevertheless, we support the budget resolution and those spending programs because this resolution also provides tax relief for the American people and does overall reduce the rate of growth in Government spending.

As a consequence, Mr. President, this is not a Republican budget resolution here today. This is a resolution the outlines of which were agreed to by the Republican leadership in both Houses, by the Democratic leadership in this body and the President of the United States. We have before us an amendment, however, that totally and completely breaches that set of agreements. It adds $30 billion in taxes on the backs of the American people. It adds $20 billion in spending programs on to the backs of the American people, in spite of the fact that the resolution itself includes $16 billion for health care for young people in our society.

I have a copy of the amendment, Mr. President. Nothing in the amendment talks about tobacco taxes or child health care. It simply is three pages of increased spending and increased taxes —nothing more and nothing less.

It is a total breach of the agreement made by the Democratic leadership, a total breach of the agreement made by the President of the United States. And bluntly, Mr. President, those of us on this side of the aisle, who felt constrained to agree to this budget agreement because it was bipartisan, expect the support for the resolution in its original form without increased taxes and without increased spending to be supported as eloquently and as strongly on the other side of the aisle as it is on this side of the aisle.

The PRESIDING OFFICER. Who seeks time?

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Ms. MIKULSKI. I believe the Senator from New Jersey was prepared to yield me 5 minutes.

The PRESIDING OFFICER. If there is no objection.

Mr. DOMENICI. We have no objection.

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

Ms. MIKULSKI. Thank you very much, Mr. President.

I wish to rise to express my strong support for the Kennedy-Hatch amendment on children's health. I cannot think of any more important issue that faces our country. The health of our children must be a national priority. This amendment will make sure that that happens. It will expand health insurance to cover America's uninsured children. Our country has failed to meet the health care needs of these children. And we all know the statistics. More than 10 million children do not have health insurance; that is one out of every seven children.

In my own home State of Maryland, I am deeply concerned about what the situation is. One in five children is uninsured. Almost 200,000 children in Maryland alone lack health insurance.

Most of the uninsured children are from families with parents who get up and work every day. These are families who are doing the right thing to be able to support their family and yet they also want to be able to ensure that their children have health care, where parents are working 40 hours a week, often at what I call the varicose-vein jobs. They get up, they stand on their feet, they are the checkout woman at a grocery store, clerk, or they are some man out there working as a part-time landscaper assistant, sweating, breaking his back, and in very difficult circumstances, to put food on the table, a roof over their heads. But they live in fear every time one of their children has the sniffles, that those sniffles could lead to pneumonia and they do not have health care.

I have had grown men who were veterans, who were so upset that they had health care and their children did not. They support veterans' health care, and so do I. But those very same dads would say, ''Let me be a dad. And let me be able to support my own children.''

I am reminded of a case in southern Maryland where the dad is a self-employed carpenter. His youngest child has a heart disease. He is making $40,000 a year. But in order to get health insurance, it will cost $9,000 a year. That is almost one-fourth of their family income. The wife stays at home to care for this child, to be the backup, to make sure that that health condition does not deteriorate into a permanent cardiac disability. Should they go without health insurance? Should the mom go back to work? They should not have these melancholy choices to make.

That is why we support health insurance for our children, and not only for the children who are acutely ill but we want to have health insurance for children so they can be immunized by the time they are two, have early detection and screening as they get ready to go into kindergarten or elementary school to make sure they are learning ready, that they know whether they need eyeglasses or they need hearing aids or whether they have undetected juvenile diabetes, all these kinds of things.

I can think of no more important health investment than to have a healthy start for children. And I want to bring to the attention of my colleagues, at the fantastic, bipartisan President's summit on voluntarism, one of the goals established by Colin Powell, one of the five goals to get our kids ready for the future is to make sure they have a healthy start.

I say to my colleagues, this amendment would be a very important step in being able to do that.

I thank the Senate for its attention.

I yield back such time as I might not have consumed.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. How much time does the Senator want?

Mr. NICKLES. Eight minutes.

Mr. DOMENICI. I yield 10 minutes to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, first, let me compliment my colleague from New Mexico for his leadership in putting this budget together. And I will make a speech a little later about the entire budget package. But I have a strong feeling, if this amendment should pass, we are not going to have a budget package. Maybe I will not have to give that speech.

I was going to compliment my colleagues from New Mexico and from New Jersey and the majority leader of the Senate and the minority leader of the Senate, because they worked for hours, for weeks, they worked for a long time with the administration to put together a budget package.

I will tell you I do not think everything in this budget package is perfect, but I am absolutely certain if we pass an amendment that increases taxes $30 billion and increases spending $20 billion over what is already in this package, we do not have a deal. We just killed the budget. There will not be a budget agreement. I believe that very strongly. I will be involved with several people trying to make sure that we do not do it.

This deal is not very good from many people's perspective because it does not cut taxes very much. A net tax cut of $85 billion when we have total taxes in that period of time of over $9 trillion is not much. I argue it is better than nothing, but $85 billion of almost $10 trillion is not much. You reduce that to $55 billion, and I will say it is not worth it.

I am a little bit bothered by my colleagues when I hear there is bipartisan agreement. Yesterday, we had an amendment on the floor to increase spending and taxes by $15 billion, again, breaking the budget deal. We had eight Democrats vote for that or vote to sustain the budget package. Everybody else said, ''No we want another $15 billion more in spending and $15 billion in more taxes.''

Now it looks like almost all the Democrats are going to jump on and say we want more money for this program. Senator HATCH and Senator KENNEDY put together a good program. We do not care that the Budget Committee and the negotiators put in $16 billion; we are going to double it. We want $20 billion on top of it. It does not matter what you already did; we want more. It is like whatever that program is, hey, we are for more. The original bill that Senator HATCH and Senator KENNEDY had only had $20 billion. The committee put in $16 billion. I do not know why they did not high five each other and say, ''Hey, we won,'' and I would probably be on the sideline saying, ''Yes, they did. They got 80 percent of what they are looking for.'' I will say I lost because I do not think we should have a new mandate.

This is mandatory. It is mandatory under the Hatch-Kennedy bill, too. I heard people say it is not. I will be happy to read the language, and I know we are not adopting the Hatch-Kennedy bill, but we are debating it. We already have $16 billion, and now we are coming along with an amendment that says put another $20 billion on top, adding to it so now we will have $36 billion for this program. No one in their wildest dream would have said we should have $36 billion to try to solve this problem, which I will be happy to debate.

Do we want to make sure that kids have insurance? Make sure they have access to health care? You bet. I have four kids. I want to make sure my kids have health care. I want to make sure your kids have health care. Is the solution a Federal mandate? I want to make sure kids have plenty to eat. Are we going to mandate a Federal program for that? I want to make sure kids have a warm home. Are we going to mandate everything? Government is big enough to give you everything you want. It is big enough to take everything you have. We are approaching that.

A young child born today is already inheriting a debt of about $20,000. If we do not change the way we are doing our business now, a young person born today will spend 84 percent of their lifetime earnings paying taxes and paying for entitlements, working for Government—84 percent, if we do not start living within our means and start balancing the budget.

So, first thing right out of the hopper—we have a budget bill that purportedly is to balance the budget within a few years; it has some fiscal discipline—the first thing we do, we had an amendment yesterday to increase spending another $15 billion and increase taxes $15 billion. Almost all the Democrats voted for it despite the so-called bipartisan budget, and now we have an amendment that says increase taxes $30 billion, increase taxes $20 billion, and I understand we are only going to get maybe a few Democrats who will vote against that amendment. Just break the deal. What deal?

I absolutely tell you, Mr. President, if this amendment passes, there are going to be other amendments that say, ''Hey, if taxes are on the table, maybe this $85 billion is not sacrosanct. I do not think that is enough.''

Last Congress we had $245 billion that we passed and we balanced the budget. I thought that was a lot better tax package. We had real things in there for American families and it helped the economy. I would like it to be bigger than $85 billion. I will not be satisfied with $55 billion. My guess is there will not be a majority in this body satisfied with $55 billion, so if people want to kill this budget package

in the name of saying, ''Hey, no matter what you did, Budget Committee, in putting $16 billion in, we will double it because we are for kids and against tobacco.'' I do not care that much about tobacco. Somebody wants a different tax, a different time, do it on the Finance Committee when we have the reconciliation bill before us, and they can say, ''I do not like this, raise the tobacco tax.'' They can have that amendment. It can be in order, and then you are playing with real bullets, then you are talking about something that is real.

All this is, this budget resolution, if one turns to the budget resolution, all that says is we want to spend $2 billion more in the Finance Committee, $18 billion more in the Labor Committee, and we want to raise taxes $30 billion. That is all it says, and it directly violates the so-called budget deal.

So we will find out before too long, are we for a budget package? Do we want to balance the budget? Or do we want to play games, and say, ''I do not care, I am more for kids than you, so I want to increase it.''

How much is needed? We have heard the statistics. There are 10 million kids uninsured. How long are they uninsured? A study was done that found that the majority of kids had insurance within 4 months. Well, we just eliminated half of the problem. Most of the kids have insurance within 4 months. People change jobs, people move, people have different reasons, but for whatever reason, a lot of those kids will have insurance within a short period of time. Of that 9.8 million group, about a third, over 3 million, already are eligible for insurance, they just have not signed up. Does that mean they will not get health care? No, my guess is, if they have an accident, they might go to Children's Hospital or something, they will be covered, and they already have vaccinations and so on, but for whatever reason, there is a program and now we come up with a bigger program, but they are already eligible.

What about the group above 200 percent of poverty? For that group, a family of four that makes over $32,000 a year, they make enough money to provide kid care, health care for their children, they are just not doing it. We will make them do it? We will come up with big subsidies? What about the 3 million people that maybe are between the 100 percent of poverty and 200 percent of poverty? About 3.5 million kids fall in that category. Half of them will have insurance within 4 months. But you still have maybe 2 million children that are chronically uninsured. Mr. President, $16 billion is more than adequate to cover that chronically uninsured child, more than adequate.

Yet we are saying $16 billion is not enough, make it $36 billion. We will match you and double it, so now we have $36 billion. If you look at the cost of kid care, in many cases it is $600, $700, $800, up to $1,000. A population of children between 100 percent of poverty and 200 percent of poverty, 3.5 million, most have insurance within 4 months, so you are only talking a couple million. You can do that for a couple billion a year. We have more than that in the $16 billion. Yet, no, we are coming up now with $36 billion. No, I do not think so. I do not think that is a solution. It may be good politics.

Looking a little bit at the substance, we do not have the legislative language of the Hatch-Kennedy bill, but the Hatch-Kennedy bill, if someone reads it, one, they will find out it is a mandate. It mandates the Federal Government shall give money to the States. That is not optional. It is a mandate. Then looking at the subsidy, the subsidy for the group of nearly poor, not the Medicaid poor, the subsidy for this group is much more generous from the Federal Government standpoint than it is for Medicaid. Now, if we revamp and improve this program, we have Medicaid—Medicaid is a Federal-State program. It is supposed to be 50–50 cost shared, but in some cases the Federal Government is up to 70 percent or more. Under the Hatch-Kennedy bill, the Federal contribution is only 40 percent of whatever the State was putting in. If the State put in 50 percent, the State's share would be 25 percent. In many States the Federal share would be 90 percent. You have a lot of States right now that are only paying like 22 percent of Medicaid costs. The Federal Government is picking up 75 percent. Under the Hatch-Kennedy bill in a lot of States the Federal Government would be paying 90 percent. So we will have greater subsidies for the income eligibility between 100 percent and 200 and 300 percent, a greater share of Federal for the lowest income. That absolutely makes no sense, absolutely makes no sense whatever.

Then to say you can do this in the Finance Committee, and then we will come up and double the program in the Labor Committee absolutely makes no sense. It is like, wait, we do not work together so we will have the Finance Committee solve this problem and then we will come over here and have the Labor Committee solve this problem and give both committees enough money to solve it. That makes no sense.

Mr. President, I hope we will have colleagues on both sides who will be fiscally responsible and say let's work to balance the budget and work for America's kids. We are not solving America's children's problems by saddling them with another great big, open-ended, expensive entitlement program that can only explode in the future, wreck the budget deal, and totally destroy the budget package. I do not think that is good for kids. I think it is a disaster for children. I think if this amendment should pass, we will not have a budget deal and the real losers will be America's children.

Mr. LAUTENBERG. Mr. President, I yield 5 minutes to the Senator from Oregon.

Mr. WYDEN. Mr. President, I think it is clear what some of the opponents of the Kennedy-Hatch legislation are trying to offer the Senate. They are saying that the Kennedy-Hatch bill, a health insurance program for vulnerable kids that pays for itself, is a bad idea. I submit that even Joe Camel would have a tough time selling that proposition. The fact of the matter is this is a program that pays for itself, that is fiscally disciplined.

In my State, close to 100,000 kids without health insurance are going to be in a position to get help as a result of this tobacco tax. I think it is important that the record be set clear on this.

Now, this morning, Mr. President, the New York Times carried an article that said that the States are going to lose revenue as a result of the Kennedy-Hatch legislation and that this should be opposed on the grounds that the States need this revenue. The fact of the matter is that attorneys general across this country are rushing to file lawsuits on behalf of their States in order to recoup some of the costs to State coffers for health care costs. That is the reality. The fact of the matter is States are losing vast sums right now as a result of our current policies.

Without the Hatch-Kennedy legislation, I am of the view we are going to have children grow up sicker, they will be sicker adults, they are going to die sooner, and health costs in America are going to increase. This is an important piece of bipartisan legislation.

Mr. President, I close by paying a special compliment to my colleague from Oregon, Senator SMITH. He has been subjected to very intense criticism at home by the tobacco lobby. I know a bit about what it is like to be attacked by them. They sued me personally when I was a Member of the House subcommittee that investigated their practices.

I want to make sure that people know that Senator SMITH has hung in there on behalf of better health care for America's youngsters.

This proposal is right. It is fiscally responsible. It is compatible with a balanced budget approach.

I hope my colleagues will reject the arguments that have been advanced against this legislation.

As I said earlier, I think even Joe Camel might have some difficulty selling the argument that a fully funded proposal that will help our kids is a bad idea.

Mr. President, I yield the floor.

Mr. DOMENICI. Mr. President, I yield 5 minutes to Senator CRAIG.

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

Mr. CRAIG. Mr. President, I thank my chairman for yielding.

Mr. President, I join what I hope is a majority of the Senators on this floor in opposing Hatch-Kennedy. I am not going to argue the merits of it one way

or the other. I don't think that is the issue this morning. The issue is that a budget deal gets broken—a budget deal that has been woven together in a bipartisan format that gives both sides some recognized need and that produces a budget that is good for the American people.

All of us are concerned about child health care, or there wouldn't be $16 billion in this budget agreement for children without health care. Therein lies the issue.

I think it is important to note that, while my colleague from Oregon just talked about an analysis that said States would lose money, it is very likely they would lose money, and that is, in fact, one of the analyses. It could cost them up to $6.5 billion over 5 years.

Again, it is against the very direction that we want to head in; that is, empowering the States to take care of their own needs instead of handing them a new Federal mandate and a new program from the top down, telling them what to do and how to do it. We do that, in essence, by stealing away from them the very revenue base that they have been using for these purposes.

This would directly hurt the health and educational programs in 16 States that earmarked part of their tobacco tax for this purpose.

This doesn't include the cost of the mandate included in the amendment that will be added on. According to the whip's office, there are 30 State mandates in the proposal.

Therein is a substantial basis for the objection.

This Congress has in a bipartisan manner expressed its desire and concern about the health needs of the uninsured young people of this country. That is what the debate ought to be about.

My guess is that this Congress will work its will as the courts will work their will when it comes to the question of tobacco, when it comes to the question of: Should it be limited, and in what form ought it be limited? But let us not break a budget deal. For this is exactly what will happen with this issue.

So I hope that we will resolve it in staying with our agreement. We think it is a good one and that this one simply disrupts what is an extremely valuable part of the total program.

If we are moving toward empowering the States and the individuals to care for their own and their citizens, then Hatch-Kennedy goes directly against that thrust and prescribes again another very large, federally controlled, mandated program that is cross-grain or cross-directional to what we have been attempting to do all along.

So when you look at all of the aspects that are incorporated in this legislation, it is not precedent setting. It is returning to the past. It is stepping backwards into a large, federally controlled bureaucracy that in the end probably doesn't produce the kind of health care that our citizens would want or that our citizens would expect of their way of life or their system of government.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I yield 4 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 4 minutes.

Mr. WELLSTONE. Mr. President, I thank the Senator from New Jersey.

Mr. President, in 4 minutes it is difficult to really make a major argument on the floor of the Senate. Let me just try to pick up on a couple of comments that I heard made in the last 15 minutes of the debate.

One of my colleagues has argued that we have to think about the future and we have to think about reducing the debt to our children in the future. I think all of us agree with that.

Then another colleague talked about the budget agreement—the budget agreement that ''is a deal, is a deal, is a deal.'' The debate seems a little bit too abstract for me as a Senator from Minnesota.

I would like to ask colleagues to confront the fierce urgency of now. The fierce urgency of now for too many children in our country is as follows: A child with poor vision, with no health care coverage and not able to get any assistance cannot see the blackboard and, in all likelihood, will not be able to do well in school and have a chance.

The fierce urgency of now is that a child who is suffering from asthma and spending too much time in the emergency room—I have met children like this in Minnesota—though we have done a good job of covering many children with our own separate health care plan, a child who suffers from asthma with extreme attacks, unable to be able to see a physician, winding up in the emergency room too often, misses too much time from school, and he or she will not have the same chance to do well as all of our children.

In the fierce urgency of now, I think that we ought to look at, as opposed to all of these abstractions, a child who has an abscessed tooth coming to school because her family can't afford dental care. I have met children like this. That child who is in so much pain and discomfort cannot do well in school. She doesn't have the same chance as our children.

This budget agreement has been much lauded, and Senators have worked hard on it. But the fact of the matter is, using a conservative estimate, we are only covering half the children who are without health care coverage.

This amendment is the right thing to do.

I will not talk about the tobacco industry. I will not talk about why the tax makes good public-policy sense to me. But I want to say the fierce urgency of now is that this is compelling, and, if it is so compelling that our children should have the coverage, and, if it is so compelling that all the children in our country should have good health care coverage, it seems to me then that it doesn't make a lot of sense to applaud and celebrate a budget agreement that only covers half those children.

This bipartisan effort of Senator HATCH and Senator KENNEDY is so important. This speaks to the goodness of our country. There is nothing that we could do that would be more important than to support this amendment.

I hope my colleagues will do so.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I yield 4 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 4 minutes.

Mr. BUMPERS. Mr. President, first of all, I want to compliment my good friends and colleagues, Senators HATCH and KENNEDY, for producing what I think is a very good solution to an increasing, growing problem. I confess that I intended to offer legislation similar to this in the early part of the year, but I like this better than the idea for my own bill.

We can debate and make all kinds of sophisticated arguments about why this is wrong and the impact on the budget and so on. I remind my colleagues that Winston Churchill once said that you can tell more about a nation by the way they treat their elderly and the conditions of their prisons than any other two things. He should have added children to that.

I went to the dedication of a new $51 million Federal prison in my State this past Monday. All I could think about was the $16 million annual cost of that which would, indeed, produce a lot of jobs. But I also thought about how early intervention would have saved every one of those youngsters in that prison. Our priorities are so skewed. If we had that $51 million, or if we had that $16 million a year we spend on every inmate, if we had it spent on children at the ages of zero to 3, or zero to 50, whatever age you take, you can send people to Harvard for what we pay to keep people in prison. It is because of our neglect. If you ask the ordinary citizen on the street, ''What do you think is most important for your children?'' the first thing is education and the second thing is their health care. Anybody who doesn't understand that in this body is out of touch with America.

I remember as a poor country lawyer in a town of 1,200 people—this is a personal story—my daughter had a condition that was very rare and could have

been fatal—would have been fatal. We just happened to have a pediatrician who knew the greatest pediatric neurosurgeon in the world at Boston General Hospital. I had just made a $22,000 fee. So Betty and I were able to go. She had complications. We spent 6 weeks in Boston and used up my $22,000. But during the course of that, having her in the hands of the best pediatric neurosurgeon in the world, Betty asked me one day, ''What do poor people do?'' I said, ''I will tell you what they do. They watch their children die.''

Here is an opportunity for the Senate to do itself proud, for the Congress to do itself proud. You can make all the arguments you want to against this because this ''t'' is not crossed and the ''i'' isn't dotted. If we picked out some little flaw in every bill we voted on, we would never pass anything.

There are a couple of things in this bill that are not terribly pleasing to me. But providing health care for 10 million children in this country who do not have it, you can't find a more noble undertaking by a political body.

Mr. President, children without health care was, is, and will remain the shame of this great Nation until we deal with it.

So I plead with my colleagues in the Senate to please America and do something that is really noble and laudable and worthwhile and will pay the richest dividends we have ever received.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

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

Mr. DOMENICI. Mr. President, I noted—since we have all been engaged in such a serious conversation—a little article from ''The Hill'' about polling and budgets. It might interest Senators. If I shared it with them, they might be reassured. For those who believe in politics, however, this fact may be very interesting. Seventy-four percent of the people polled think that news about the budget deal is more interesting than news of Donald Trump's marital failures. Only 10 percent responded that they were more interested in Donald Trump's marriage failures.

So we have a winner here.

Mr. President, I would like very much to ask my friend, Senator LAUTENBERG, if he is prepared to yield back time on the amendment. I will then be prepared to yield and offer a second-degree amendment.

Mr. LAUTENBERG. We are prepared to yield any time that remains on the amendment.

Mr. HATCH. I understand that we still have 20 minutes.

The PRESIDING OFFICER. The Senator from Utah now has 18 minutes remaining on his time.

Mr. HATCH. Could we make a few closing remarks?

Mr. DOMENICI. There is going to be plenty of time for remarks. But if the Senator would like to do that, fine.

Mr. KENNEDY. Mr. President, I appreciate the views of the chairman of the Budget Committee. He obviously has available to him other kinds of measures that he intends to pursue. What I would like to do is take a final 3 minutes, and then I would welcome the possibility of yielding remaining time, if that is agreeable.

Mr. DOMENICI. How much does the Senator from Utah want?

Mr. KENNEDY. If we have the 20 minutes, I would like to speak very briefly. We have the 20 minutes. Then I will speak then we will yield the time.

The PRESIDING OFFICER. The Chair observes that the Senator from Utah has 18 minutes.

Does the Senator from Utah yield time to the distinguished Senator from Massachusetts?

Mr. HATCH. I yield 5 minutes.

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

Mr. KENNEDY. Mr. President, we find that we have had a good discussion and a debate about this measure.

Those of us who favor this measure have been trying to convince the Members of the Senate what the great majority of the American people already understand. This is a proposal that will cover the sons and daughters of working families that are on the lower two or three rungs of the economic ladder. This is something that the American people overwhelmingly support, and we pay for it with a modest increase in the tobacco tax of 43 cents per pack of cigarettes. This is supported across the country—North, South, East, West, Republicans, Democrats, independents. A majority of smokers all across the country favor this proposal. Rarely have we seen an issue that has such support. We have given life to that proposal with this amendment to the Budget Act.

There have been comments about how this is drafted. This is drafted as other amendments have been drafted over the history of budget acts. It is consistent with our objective.

We have placed in the RECORD the Joint Tax Committee report that justifies our proposal in recognizing that more than $30 billion will be raised. We have allocated $20 billion to go to the States, effectively as a block grant, to provide for those children whose parents are working and who need this kind of coverage because they are making $18,000, $19,000, $20,000, or $25,000 and they are unable to afford coverage for their children. We commend the fact that the budget agreement adds some $16 billion for children. But we also recognize that Medicaid has been cut $14 billion. Half of all those who are in Medicaid are children. We are not prepared to say that half of those cuts, dollar for dollar will necessarily affect children, but that $16 billion that is supposed to go for children is going to be diminished significantly given these cuts. We believe there will be more than 3 million children who currently have no health care who will be covered by the $16 billion, but we are still not reaching the core group of children who are the sons and daughters of working families.

This is the issue before us. We know there are parliamentary measures that will be taken, and parliamentary issues raised to prevent us from having a straight up-and-down vote on the proposal.

Every Member of the Senate understands this proposal. The American Academy of Pediatrics understands this proposal. ''America's pediatricians strongly urge support for the Hatch-Kennedy budget amendment to increase tobacco taxes to help finance children's health care.''

The American Association of Retired Persons understands this proposal. They care about their grandchildren: ''AARP believes that the Hatch-Kennedy proposal is an important step in improving access to health care for children.''

The National Council of the Churches of Christ in the U.S.A., comprised of the 33 national member communions of the National Council of Churches support it. They write, ''We in the religious community will continue to hold Congress to a high standard as to what is required for the common good. Providing for the health care of children is simply basic social morality.''

The list goes on; 150 organizations including the Parent-Teachers Association, and many others support this measure.

Mr. President, this is ultimately a choice and a decision about whether we are going to support covering children who are uninsured or whether we are going to be for big tobacco. That is the issue. We have chosen the tobacco tax for health reasons, Mr. President. If you increase that kind of tax, you are going to discourage children from smoking and you are going to close a gateway to drug use and other kinds of substance abuse.

Second, we want to make sure that that industry and the users of tobacco are going to pay their fair share of the health care costs; $68 billion a year, according to OTA, is paid by the common taxpayers because of smoking.

We are saying that the tobacco industry ought to bear its fair share in covering poor children. That is the issue.

Finally, Mr. President, we heard a great deal yesterday about the American Medical Association. Here is the letter from the American Medical Association that says:

On behalf of 300,000 physician and medical students members of the American Medical Association, I am writing to express our support of your and Senator Orrin HATCH's efforts, as well as those of other Congressional leaders, to improve the health of American children. We also commend you for financing your legislation by a 43-cent increase in the Federal cigarette tax. The AMA is committed to eradicating the public health crisis caused by smoking and our House of Delegates policy strongly supports increasing the

Federal tobacco excise tax for health care needs.

Mr. President, from a medical standpoint, this is right. It is right in terms of fairness and equity. There is not a parent in this country, not a single parent in this country, who does not believe that all children ought to have a healthy start. That is what our amendment does, and I hope it will be accepted.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I have not felt really great about taking on some of my colleagues and irritating people on my side of the aisle. I always try to support the leadership in everything. And, I think I have a very good reputation for doing that.

But there occurs in all of our lives—at times—issues that transcend the everyday important issues we face in the Senate on a daily basis, and this is one of them. Regardless of what happens here today, this issue is not going to go away. I think it is time for people to wake up and say, hey, look, this is an idea whose time has come.

We must take care of these kids who cannot take care of themselves. The problem in this body, and the problem with the Federal Government, is that oftentimes we provide programs for all kinds of people who can take care of themselves, but will not. Yet, we do not take care of people who truly cannot take care of themselves, but would if they could.

Children's health care should not be a political issue. This is not a Democrat issue. It is not a Republican issue. I admit that when I first read the Kennedy-Kerry bill, I could not support that bill as drafted. The bill provided a new Federal bureaucracy along with $50 billion in new entitlement spending.

That bill provided extensive Federal mandates along with extensive Federal accountability and review provisions imposed on the States. It was simply unacceptable and provided far too much Federal intervention.

I do not mean to find fault with my colleague, the Senator from Massachusetts, because he too has taken a stand on this issue and has been willing to come to the center in a bipartisan way to work with me to resolve these problems. But that bill was totally unacceptable to me and I know it would have not garnished nearly the support my bill has received.

My bill is substantially different than the Kennedy-Kerry bill. My bill provides a block grant funding mechanism to the States which are given maximum flexibility to administer the program. The States set their own eligibility standards. And, the program is strictly voluntary. No new massive Federal or for that matter State bureaucracy is necessary since my bill builds on existing State programs or private sector initiatives.

There is no funding mechanism because we already have a system in place to collect the excise tax on tobacco products. We would make those tax revenues available to the States much like we make matching funds available to the States through the Medicaid program. States would not have to hire massive new numbers of bureaucrats. The States basically operate the program in a manner consistent with existing children's programs or in ways that best meet the needs of the citizens.

States will have the flexibility to contract with health insurance companies to develop new and innovative insurance products for children. In spite of some of the comments that have been made by those who oppose my bill, States can contract with private health insurers and/or health care providers such as community health centers to carry out the mission of this program.

I want to give States even more flexibility in implementing the CHILD bill. I am open to further suggestions and refinements in the bill. In that respect, I have challenged my colleagues on both sides of the aisle alone with the Nation's Governors to help me in that effort. If there is a better way of doing this, then I am willing to discuss other proposals and make construction changes to the bill.

My willingness to improve my bill extends to the funding mechanism as well. I ask my colleagues to show me a better way of funding this program. I cannot think of a more just way of funding the program than with an increase of 43 cents on the tobacco tax. In 1955, a pack of cigarettes cost 23 cents. The excise tax was 8 cents or 34 percent. Today a pack of cigarettes costs $1.80 to $2.30. The excise tax today is 24 cents, under 10 percent.

Does it not seem fair and reasonable to ask the tobacco industry to help finance this program particularly in view of the health implications of tobacco use? The fact of the matter is that tobacco use is the single largest preventable cause of death. It is the largest preventable cause of illness in our society.

Four out of five lung cancer victims in our country get cancer due to smoking. There are 51 million smokers in our country, 3 million of whom are teenagers. And, everyday 3,000 more teenagers begin to smoke, half of whom will become nicotine addicts by the time they are 18 years of age.

As my colleagues know, currently the so-called global settlement negotiations are on-going between the tobacco companies and the States regarding the litigation against tobacco manufacturers. I have had the opportunity to review the arguments on both sides of the issue and I note that arguments have been made against any increases in tobacco prices on the belief that States will lose revenues.

It seems to be that we should be spending more time worrying about the health of our citizens than the tobacco revenues going into State treasuries particularly when these revenues are marginal in comparison to health care costs States assume from smoking related illnesses.

Now, look, we can put this issue off and we can play procedural games, but this issue is not going to go away. I think virtually everybody in the Senate has strong feelings about this issue although there are legitimate differences of viewpoint.

Of all the arguments made against my bill, I think the one that is particularly false is that my bill creates a new entitlement. I am perhaps more dismayed by that charge because my bill specifically states that no new entitlement is establish by this legislation.

I succeeded in persuading my cosponsor, Senator KENNEDY, to agree to the nonentitlement provision in this bill which clearly states that: Nothing in this title shall be construed as providing an individual with an entitlement to assistance under this title. Moreover, State participation is totally voluntary.

There is nothing in the bill that would establish an entitlement to the CHILD Program, but yet that has been one of the principal arguments against the measure. I guess any bill that has real winning power could be called an entitlement program. Any good program that actually works I guess should be called an entitlement even though these programs have to face the authorization and appropriations process which the CHILD bill is also subject to face.

It is unbelievable this these kinds of arguments have been made. This is a voluntary program designed to be attractive to States. Does that make it an entitlement program? Does that somehow convert it into an entitlement program? It seems to me there are legal and programmatic distinctions between entitlement programs such as Medicare and the child development block grant program.

I remember when the Child Development Block Grant Program came before the Senate. Many Senators including those in my party were opposed to it. Ironically, that bill passed the Senate unanimously and almost everybody claims credit for it because it has been a successful block grant program for the States. The States set their own standards which is precisely what my bill provides. I think we ought to wake up and do what is right here.

Look, it is a fair characterization to say that this is a choice between Joe Camel and Joey. I am not just saying that because it is cute and gimmicky. I say that because it is true.

I think the industry that causes much of the illnesses has an obligation to be of some help here. This is not a broad-based tax. The only people who pay this tax are those who smoke cigarettes and use tobacco products.

In all candor, I trust my colleagues will keep this in mind. This issue is not going to go away. I understand that the leadership is going to file an amendment to my amendment. Fine. We will

look at their amendment and see what it is. I hope it is a constructive amendment that will get us to what we are trying to do.

However, these arguments that $16 billion is all that is needed are simply inaccurate. My bill is something we ought to do. These are the children who come from families of the working poor. It is very difficult for them to help themselves. I think of the billions of dollars we spend on people who can help themselves but will not. If we cannot do this, then what can we do?

I am prepared to yield back the remainder of my time.

Mr. FORD. Mr. President, will the Senator yield me 2 minutes?

Mr. HATCH. I reserve the remainder of my time.

Mr. DOMENICI. I have a Senator who wants to speak.

Mr. FORD. I just need 2 minutes.

Mr. DOMENICI. I yield 2 minutes to the Senator.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER (Mr. GREGG). The Senator from Kentucky.

Mr. FORD. Mr. President, let me just make a couple of points if I may.

Under the previous bills, not in this bill but I understand are included in this, they sunset the program at the end of 5 years. Now, in the budget program 5 years is fine which when you get in reconciliation is 10, and under the 5-year program the reason they sunset it is because they run out of money. The cost is greater than the income. So this is a budget buster in more ways than one. The cost goes well beyond the income. So it is a budget buster.

You talk about whether this is an entitlement or not. All you have to do is read what the distinguished Senator from New Hampshire was trying to explain here this morning. It is section 2802. If the State accepts, they shall, they shall, they shall, they shall. And every child in the State shall have. You shall contract with an insurer that says certain things. So I hope States understand it is in the cover of children. I hope my record is as good as the next one.

I hope we can work this out—I understand what is coming next—but, after today, at least we can keep a budget together that we agreed on. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield off the bill as much time as the majority leader desires.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, I thank the distinguished chairman of the committee for yielding this time and for the outstanding work he has been doing.

We have before us a budget resolution that has been in the making for 4 months. A lot of hard work went into it, a lot of give-and-take. It is truly a bipartisan agreement. It is not a Democratic package, and it is certainly not a Republican package. It is one that we came to agreement on. There are provisions in it that I don't agree with. There are changes that I wanted to make until the very end, and some I would like to make at this very moment. But we entered into an agreement, House and Senate, Republican and Democratic leadership, working with the Budget Committee leaders and the administration, specifically the President of the United States. We came to a budget agreement. We shook hands. Now we have this budget resolution to implement that agreement.

The House spent a very long day yesterday and they stuck with their commitment. They kept the faith. They passed the budget resolution that will carry out the budget agreement. It took them until 3:30 this morning. One amendment that was offered, which was very attractive, was one that I would like to vote for, to put more money in transportation. I think we should take more money out of the highway trust fund and put it in the roads and bridges of America, and so do many of the leaders in the House on the Republican side. But, no, they fought off a very powerful, very important chairman by a vote of 216 to 214. The amendment was defeated. They kept their word. The leadership worked all night to keep their word, to stick with the agreement. And they did it and they passed a budget resolution.

Just yesterday, here in the Senate, I worked with Senator DASCHLE, Senator DOMENICI worked with Senator LAUTENBERG, and we resisted amendments that would break us out of the agreement. Senator DODD from Connecticut had an amendment he felt compelled to offer and was very serious about. But with some nine Democrats and most Republicans, we defeated that amendment.

Senator ALLARD, the Senator from Colorado, had an amendment. I voted against his amendment. I didn't want to. I am proud of this new, fine Senator from Colorado, and I agreed with what he was trying to do. But, no, I kept my word. I kept the faith.

Now, my colleagues, this is a showstopper. This takes us outside the budget agreement. Remember, in the agreement is $16 billion for child health care. I thought that was excessive, but we came to an agreement. We do need to make sure that, for some children who are not covered in America, there is a way for them to be covered. We said: Finance Committee, here is $16 billion to address this problem, and we believe there are ways that can be found to get that done.

I care about children in America. I am a parent. I am from a State where there are children who are not covered and should be. But we have a program here that we have agreed to, $16 billion, and the committee will work with that, and I hope and think they will come up with many innovative ideas of how we can make sure these children are covered.

That is why we are here now. We have an agreement we are committed to, that addresses this problem. Now we have an amendment that will take us, clearly, outside the parameters of the agreement. We must defeat this amendment. We must have bipartisan support against this amendment, or how am I going to be able to stand up here and vote against some of the amendments that will be offered from my side of the aisle that will take some of the spending out of our agreement and put it in more tax cuts? I would like to do that. I want to do that. The American people are overtaxed and overworked, for what they get back, in terms of being able to keep their own money. But I am prepared to say no, we have to stick with this agreement.

Paragraph 3 of the bipartisan agreement between the President and the leadership of the Congress reads:

> Agreed upon budget levels are shown in the tables included in this agreement, including deficit reduction levels, major category levels of discretionary, mandatory, and tax receipt levels.

This amendment would change those agreed-to budget levels. Like yesterday's amendment by Senator DODD of Connecticut, the pending amendment would break our bipartisan agreement with the President by increasing spending and taxes beyond the levels in this agreement.

By the way, I thought the original Kennedy-Hatch bill just provided for $20 billion. We have $16 billion in this package. If you add $20 billion on top of that, now it is $36 billion. The Kennedy-Hatch amendment would create $20 billion of new entitlement spending above and beyond what is already in this resolution.

The sponsors of the amendment claim the amendment would increase the tobacco tax. That is not true. It is false. The budget resolution cannot tell the Finance Committee which taxes to raise and which to cut. The practical effect of this amendment on taxes is not to raise a specific tax. It is, instead, to reduce the size of the net tax cut by $30 billion, to only $55 billion over 5 years. That is not enough to do what we have committed to do—some tax credits for families with children, some capital gains tax rate cuts for Americans who are entitled to it and deserve that opportunity, some modification of the estate taxes. And it puts an additional squeeze on the President's education program. We cannot do what we have committed to do with this change.

I am a party to the bipartisan agreement with the President that we entered into and we outlined in paragraph 2 of the agreement. I am going to keep the faith on this amendment and other amendments. We are going to stick with our budget resolution agreement. I have talked to the President, because the President is in on this. He has made it clear he supports the concept of Kennedy-Hatch. But he is also committed to me that he is going to

work to try to get Democrat votes for our second-degree amendment and against making this change in the budget resolution. That is what I have been told by the President of the United States. If anybody doubts that here on the floor or in the news media, call the White House and check it.

I signed in on the deal and I have taken criticism for it. The President signed in on the deal, and he is going to take some criticism for it. He already has. But this is clearly a deal-buster. If this amendment should be adopted right at the gate, the wheels will come off of this thing. They will come off. And I only have two options: One, offer second-degree amendments, and if we have to, we may go through a series of them, and let me assure you, each one will get hairier and more difficult for Senators to vote against, more uncomfortable.

Or the other one is to say, look, we had a deal. Is the deal off? We can pull this down. We have a little work we can do. We can go back to the comptime-flextime bill, to give the working men and women of America an opportunity to make some decisions, taking time to be with their children. We can go onto the chemical weapons implementing legislation. Maybe we can go to other bills, like product liability. That is pending. We could take that up. Or national missile defense. We have other things we could be doing.

But we should, instead, vote for the second-degree amendment. It is a very responsible and reasonable amendment. I urge Senators on both sides, vote for the second-degree amendment we are going to offer. Let us move on and complete our work on this today, on this whole resolution, so we can get to conference, meet tomorrow, and pass this budget resolution on Thursday or Friday.

The amendment we will offer as a second-degree amendment will allow us to adhere to our bipartisan budget agreement with respect to health care for our children. This amendment accomplishes this by wiping out the increases and decreases in the dollar amounts which have been proposed by our colleagues in the Kennedy-Hatch amendment. It allows us to stick with the balanced budget plan now before us and to provide health care for kids.

I think that is the responsible thing to do. I would prefer to even give some direction, maybe even have a vote like they did in the committee, saying what we should do is having 100 percent deductibility of the self-employed. That would be a major help. There are all sorts of things we can do. But we should not break out of the agreement here. We should not mandate a new program at this point, on the budget resolution. We should not raise taxes when there are other options that are as good or better.

So, my friends, I just want to sum up by saying I think we have come a long way. A lot of time has been invested in this, a lot of effort. We need to be able to get this budget resolution done so we can go on to the reconciliation bill and the appropriations bills. If we do not defeat this amendment and if we do not pass this budget resolution today or tomorrow, in our effort to get a balanced budget, with spending restraint and some tax relief for working Americans, and some reform in Medicare that will save the program on out well after the turn of the century, we will have made a terrible mistake today.

So I urge my colleagues, when we get to the vote, that we vote for the second-degree amendment and we move on to other issues in this area.

Several Senators addressed the Chair.

Mr. KENNEDY. Would the Senator yield? Can I ask the majority leader a brief question?

Mr. LOTT. Surely.

Mr. KENNEDY. I just ask the majority leader whether he will permit us to have an opportunity to vote on the children's insurance program? Is it the position of the majority leader that we will not be able to have a vote on the children's insurance program? Is that the thought?

Mr. LOTT. It is my intention that this amendment not be added to the budget resolution. Now, there are a lot of different ways we can do that. We can have second-degree amendments adopted, or we can defeat the Senator's amendment on a straight up-or-down vote. But I would have to have assurances from your leadership and from the White House, from the President, that in fact it is going to be defeated. If that does not occur, then our only other option would be to pull down this budget resolution and move on to other issues.

You know, the Senator has made his case here today.

Mr. KENNEDY. Right.

Mr. LOTT. I knew he would take the opportunity, the first opportunity that came along, to do that. That is fine. But I think he has to understand this is a very carefully crafted budget agreement which we really spent 4½ months putting together. We cannot allow this amendment in this form to be added to the budget resolution. So we will find a way, hopefully, to accomplish that.

Mr. KENNEDY. I just had two just quick questions. It is going to be an interesting meeting here, because I listened to the Senator, our majority leader, speak about how the President is supporting his position when the Vice President is on his way up here to vote for our position. So, sometime they might get together.

Mr. LOTT. Maybe they will get together someday; and this would be a good day for them to be together.

Mr. KENNEDY. I just want to say this. When the amendment is offered by the majority leader, we are going to urge everyone on our side to support it. Because we, as right from the beginning, have supported the $16 billion to take care of those needy children on Medicaid. So I would certainly urge all of our supporters to support it. Then I hope we will have an opportunity to come back on and have a vote on what we have offered here, to build on that. So that makes it—if the Senator wants to have a reaffirmation for that which has been agreed on, I hope we could get to an early vote on it, because we would have every intention, then, to come back in and have a vote on our particular measure.

Mr. LOTT. Mr. President, if I can reclaim our time, I would certainly like to have a reaffirmation of our support of what was in the budget agreement, that we worked through very carefully. I agreed to what was in there reluctantly.

If we then come along and vote for the Senator's amendment, we have undercut, we have broken out of the agreement, and we will reverse the affirmation we just voted on. That does not make any sense.

So, I yield the floor at this time so the second-degree amendment can be offered.

The PRESIDING OFFICER. Who yields time?

Mr. DASCHLE. Mr. President, I rise to address the concerns that have been raised today on the floor. This is not the first time we have had differences of interpretation on this agreement, and it will not be the last.

This has not been an easy process for anybody on either side of the aisle. I know that the majority leader and I have attempted to work through disagreements dispassionately, to keep our cool, and to recognize there are going to be honest differences of opinion on how we should proceed. I just hope we have learned some lessons from the way this budget agreement was handled, and Republicans and Democrats will make a commitment to not repeat this kind of process so we can avoid the pitfalls we are now experiencing.

The fact is, when this agreement was negotiated, we had a handful of Senators in a room making decisions for the rest of us. While I agree with the end product, I have no qualms about disagreeing with the way we got there.

Now we have to make decisions with regard to whether or not amendments are consistent with this budget agreement. The terms of the agreement call for the leaders to seek to produce support for the agreement by a majority of Democrats and Republicans and to pursue remedial action against provisions deemed to be inconsistent. The agreement says, in other words, that we are going to support this agreement and try to encourage a majority of our colleagues on both sides of the aisle to support it and to oppose amendments that are inconsistent with it.

Yesterday, on a couple of occasions, I joined with the majority leader to oppose what I considered to be inconsistent amendments. I am told we have over 25 Democratic amendments. As I review those Democratic amendments,

almost all of them, in my view, are inconsistent. But that issue is, obviously, going to be subject to debate and disagreement for as long as this resolution is on the floor.

I believe that this amendment is consistent with the budget agreement for three reasons. First, it deals with an issue that is already addressed in the budget. Expanded health coverage for children is in this resolution. The budget negotiators acknowledged on policy grounds the value of extending child coverage and this budget includes funding to cover 5 million uninsured children. How is it inconsistent to say we are going to add additional children to the ranks of children to whom we have already committed in this budget agreement?

Second, the Kennedy-Hatch amendment would alter the revenue numbers by raising a fee on tobacco, but it would not remove one single tax proposal agreed to by the negotiators and memorialized in the letter from the majority leadership.

Those elements of the budget agreement are untouched: the higher education deduction; the HOPE scholarship credit; the capital gains tax reduction; estate tax reform; the $500-per-child tax credit—every one of those initiatives are still in the budget. This amendment doesn't affect any of those measures.

It should be noted that the details of the tax provisions were kept intentionally vague, oftentimes at Republican insistence. They didn't want to specify the details of the proposals. As vague as those provisions are, they are not affected at all by this amendment.

Third, the Kennedy-Hatch amendment does not worsen the deficit. In fact, it helps to reduce it.

So, Mr. President, based on deficit reduction, based upon how this amendment affects the tax package, based upon the fact that this policy is already incorporated in the budget, I find it very difficult to understand how this amendment is inconsistent with the budget agreement. It happens to be entirely consistent with 1 of the 10 leadership bills that I proposed on the very first day of Congress. It happens to be a piece of legislation that the entire caucus feels very, very strongly about.

I hope we can find a way to work through this disagreement, but I will tell you this: If it means bringing down the budget resolution, as some of our colleagues have threatened, then so be it—so be it. That isn't my first choice. I would like to find a way not to avoid these kinds of confrontations. I would like to find a way to resolve this dispute. But if it means dropping this agreement, then let's do it, let's go back to the drawing board, or let's figure out another way to do this. But I have to tell you, again, this debate highlights the point I have been trying to make about the problems with the process that produced this budget agreement.

I hope we can find a way, in spite of our differences on this amendment, to keep the budget agreement intact and to resolve to find a better way to get these kind of agreements in the future. Whatever we do, let us remember how important this matter is, not just to Democrats, not just to some Republicans, but to a lot of children who are counting on this legislation passing sometime this Congress.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Has time been yielded back on their side?

The PRESIDING OFFICER. Both sides have time remaining.

Mr. DOMENICI. I did not hear the Chair.

The PRESIDING OFFICER. Both sides have time remaining.

Mr. DOMENICI. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from New Mexico has 15 minutes, 14 seconds.

Mr. DOMENICI. I would like to use 3 minutes and then yield back the remainder of my time, if that is satisfactory.

Mr. HATCH. How much time do we have?

The PRESIDING OFFICER. The Senator from Utah has 2 minutes, 46 seconds.

Mr. DOMENICI. I am prepared to yield back my time. Is the Senator prepared to yield back his time? I am prepared to yield back mine, but I won't yield back mine until he yields his and I have the floor.

Mr. HATCH. I am prepared to yield back my time. I might add, I am prepared to accept the Senator's amendment.

Mr. DOMENICI. I did not hear the Senator.

Mr. HATCH. I am prepared to accept the Senator's amendment.

Mr. DOMENICI. I understand that; I heard that statement made by our colleague.

I yield back the remainder of my time.

Mr. HATCH. I yield back the remainder of my time.

AMENDMENT NO. 307 TO AMENDMENT NO. 297

(Purpose: The Bipartisan Budget Agreement of May 15, 1997, as implemented in this resolution, would spend $16 billion over five years (to provide up to 5 million additional children with health insurance coverage by 2002). The funding could be used for one or both of the following, and for other possibilities if mutually agreeable: (1) Medicaid, including outreach activities to identify and enroll eligible children and providing 12-month continuous eligibility; and also to restore Medicaid for current disabled children losing SSI because of a new, more strict definition of childhood eligibility; and (2) A program of capped mandatory grants to States to finance health insurance coverage for uninsured children. The resources will be used in the most cost-effective manner possible to expand coverage and services for low-income and uninsured children with a goal of up to 5 million currently uninsured children being served)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 307 to amendment No. 297.

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

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

The amendment is as follows:

On page 3, line 3, increase the amount by 0.
On page 3, line 4, increase the amount by 0.
On page 3, line 5, increase the amount by 0.
On page 3, line 6, increase the amount by 0.
On page 3, line 7, increase the amount by 0.
On page 3, line 11, increase the amount by 0.
On page 3, line 12, increase the amount by 0.
On page 3, line 13, increase the amount by 0.
On page 3, line 14, increase the amount by 0.
On page 3, line 15, increase the amount by 0.
On page 4, line 4, increase the amount by 0.
On page 4, line 5, increase the amount by 0.
On page 4, line 6, increase the amount by 0.
On page 4, line 7, increase the amount by 0.
On page 4, line 8, increase the amount by 0.
On page 4, line 12, increase the amount by 0.
On page 4, line 13, increase the amount by 0.
On page 4, line 14, increase the amount by 0.
On page 4, line 15, increase the amount by 0.
On page 4, line 16, increase the amount by 0.
On page 4, line 19, increase the amount by 0.
On page 4, line 20, increase the amount by 0.
On page 4, line 21, increase the amount by 0.
On page 4, line 22, increase the amount by 0.
On page 4, line 23, increase the amount by 0.
On page 5, line 1, reduce the amount by 0.
On page 5, line 2, reduce the amount by 0.
On page 5, line 3, reduce the amount by 0.
On page 5, line 4, reduce the amount by 0.
On page 5, line 5, reduce the amount by 0.
On page 23, line 8, increase the amount by 0.
On page 23, line 9, increase the amount by 0.
On page 23, line 15, increase the amount by 0.
On page 23, line 16, increase the amount by 0.
On page 23, line 22, increase the amount by 0.
On page 23, line 23, increase the amount by 0.
On page 24, line 5, increase the amount by 0.
On page 24, line 6, increase the amount by 0.
On page 24, line 12, increase the amount by 0.
On page 24, line 13, increase the amount by 0.
On page 39, line 22, reduce the amount by 0.
On page 39, line 23, reduce the amount by 0.
On page 40, line 16, reduce the amount by 0.
On page 40, line 17, reduce the amount by 0.

On page 41, line 7, reduce the amount by 0.
On page 41, line 8, reduce the amount by 0.

Mr. DOMENICI. Mr. President, first, parliamentary inquiry. Under the rules prevailing for this bill, each side has a half hour on this amendment, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. I thank the Chair. I yield myself 5 minutes.

Mr. President, let me just read this amendment:

The Bipartisan Budget Agreement of May 15, 1997, as implemented in the resolution, would spend $16 billion over five years (to provide up to 5 million additional children with health insurance coverage by 2002). The funding could be used for one or both of the following, and for other possibilities if mutually agreeable: (1) Medicaid, including outreach activities to identify and enroll eligible children and providing 12-month continuous eligibility; and also to restore Medicaid for current disabled children losing SSI because of a new, more strict definition of childhood eligibility; (2) A program of capped mandatory grants to States to finance health insurance coverage for uninsured children. The resources will be used in the most cost-effective manner possible to expand coverage and services for low-income and uninsured children with a goal of up to 5 million currently uninsured children being served.

The remainder of the amendment strikes the additions and subtractions from the resolution that are included in the Hatch-Kennedy amendment.

Mr. President, let me just speak for a couple of minutes. First, I listened attentively, I say to my fellow Senators, to the explanation of the minority leader of the Kennedy-Hatch amendment. Frankly, I normally I have great, great esteem for the leader, and I respect him almost every time he speaks on the floor. But let me suggest, I would be willing to submit to arbitration by any three intelligent people that you want to pick, and ask them if this amendment, the amendment that I have just tried to modify, the Hatch-Kennedy amendment, does not violate the agreement.

The parties to the agreement agreed that they would fight against amendments that are inconsistent with the agreement. Mind you, what do you think we argued for 3 months over? We argued one thing: What is the level of net new tax cuts that are going to be available? We compromised and the President compromised. The distinguished minority leader now comes along and tells the Senate, ''It's not inconsistent to take $30 billion of that $85 billion.'' Now, I am not good enough with percentages, but could somebody figure that out——

Mr. GORTON. More than a third.

Mr. DOMENICI. More than a third, and just whack it out of there and say, ''That's not inconsistent''? I cannot believe there could be anything more inconsistent with the agreement than that.

If that is not enough, let's take the next one. We agreed in this agreement that many of the things the President wanted he would not get and many of the things he wanted he would get, and the one thing he wanted, and most Republicans wanted, was to cover children that are not covered. So we agreed, I say to my fellow Senators, on $16 billion, and I just read to you, not the budget resolution because it can't do that, but the agreement between the President of the United States and the leaders and what it said about covering children, and $16 billion that was not in any program was put in the budget in compromise with the President of the United States.

I do not think it matters much whether something is so patently inconsistent as that. It is not going to change any votes, but I do not want the record of this Senate to go by with even such a distinguished Senator as the minority leader suggesting that this amendment is not inconsistent with the budget agreement. It is impossible that anybody could get any dictionary and look up the word ''inconsistent'' and apply it to these two sets of facts and not conclude that this is inconsistent.

There is nothing precluding these two distinguished Senators and their cosponsors from offering inconsistent amendments, and when I am finished they are probably going to stand up and say they didn't agree not to submit inconsistent amendments, unless they want to try to continue on with some illogical idea that it is not inconsistent.

But the point of it is not what their rights and privileges are, the point of it is what we agreed to after all those months. I suggest, Senator KENNEDY has already told us—I yield 5 additional minutes—that perhaps the Vice President is standing by to come up here and vote. I hope not, I say to the leader. I hope not. I have no idea whether he is or is not. But, frankly, had I the slightest suspicion that the Vice President himself would come here and vote inconsistent with the agreement that the President signed, I would have asked that the Vice President sign the agreement. That is what we should have done, for he feels not bound by it, I assume.

He can come up here and vote absolutely inconsistent with it and break a tie, if that occurs, and I doubt that that is going to occur. He can feel comfortable and the President can say—I don't know what. Maybe he will say, ''I don't control the Vice President.'' Do you think he might say that, I say to the leader? Maybe that is what he will say. Or maybe he will say, ''I'm sorry, Senator HATCH and Senator KENNEDY have more sway over me than you do, Mr. President, for you're telling us that you support our position.'' What is the Vice President saying? You support the President? The President signed this agreement. This is not just some little piece of paper floating around.

Anybody that knows about this Senator, I have been through so many budgets, so many that I am hoping this is the last one, I say to the leader, because it might be balanced. But I tell you, never have we worked harder to get something bipartisan that is supported by the President of the United States.

Let me tell you, this language that the distinguished minority leader read from that is included in this agreement—there are 10 covenants. I say to my good friend, Senator GORTON, at one point there were 20. So it is not as if they were just all of a sudden agreed to. There were 20.

We said, ''You know, that's too many agreements. It's too hard to enforce an agreement with so many covenants.'' We spent 3 days arguing about those. In fact, one time the majority leader said, ''Why don't you go and solve that and don't bother me.'' We did. So we left, and in a couple days we came back and got it boiled down to 10 covenants as part of this agreement. It clearly says things inconsistent with this, the President and the Democratic leadership will use everything within their power to see that those kinds of amendments are defeated.

I am going to take another 3 or 4 minutes beyond the time I have just reserved and talk about a couple of other things.

My good friend, Senator HATCH, I say to the Senator, if you desire to raise taxes on cigarettes—what is the amount you would like to do it in your bill?

Mr. HATCH. Forty-three cents.

Mr. DOMENICI. If you would like do raise it——

Mr. HATCH. Plus the equivalent for others.

Mr. DOMENICI. Thirty, forty, sixty cents, you go to the Finance Committee. You are a distinguished member. You sit very, very high up in seniority on that Finance Committee. There is nothing in this budget agreement—nothing—that says you cannot try to raise cigarette taxes in that committee. You just propose it. You can raise cigarette taxes right there in that committee. You do not need very many votes. There is nothing that precludes you from it.

Let me tell you, the irony of it all is that if the Kennedy-Hatch amendment passes, you will have the exact same difficulty getting the cigarette tax through as if you did not have this thing, because there is nothing in this amendment that you propose here today that says the Finance Committee of the United States is bound to vote in a cigarette tax—nothing.

I said once—I will say it again—cigarette taxes are not mentioned in the amendment. The distinguished Senator from Massachusetts got up and said, we have drawn it like amendments have been drawn forever. You are right. And the interpretation and the efficacy is as it has exactly been forever. That foreverness has meant it is not binding, it is not binding on anyone. To the extent that you want to put a statement with this, it is hortatory. It is giving your

views and talking to the American people about what you would like to see happen. But it is not binding, never has been binding. We have never had this kind of situation where you could make it binding.

Now, having said that, I do not believe anybody in this country should believe that the President of the United States, the Democrats who were at the table with him, his three negotiators, Senator DOMENICI, FRANK LAUTENBERG, JOHN KASICH, and JOHN SPRATT—Members of the House, the last two—I do not think anybody should believe that we ignored a need in our society, to wit: to cover young children who are not covered. We did not. I can say with as much certainty and integrity and sincerity as Senator HATCH has said, we intend to cover them. We intend to cover those who are in need. We said it in disagreement; and there is $16 billion in there.

Incidentally, for Members who might be interested how this money gets spent—and I draw no inferences from it—but the distinguished Senator, Senator KENNEDY, does not sit on the Finance Committee. All the $16 billion that is in this agreement goes to the Finance Committee because they have Medicaid, which is one of the major programs. It is interesting, with the amendment, the committee that the distinguished Senator from Massachusetts sits on will get $18 billion to spend. So now we will split the responsibility, $18 billion to his committee, to the committee he serves on, and $18 billion for the Finance Committee. And, again, it seems to me there is little need for that.

So I close by saying I have offered an amendment that clearly says and unequivocally says we have provided for the children who do not have insurance in this country, and how we provided it is contained in the budget resolution.

I believe any Senator voting for that ought to be held to saying, ''We voted for it. That's what we are getting. That's what the agreement says. And we are not going to vote to turn right around and destroy the very agreement that created that right.''

I want to assure everyone, if this budget agreement falls apart, and I know on this one—I think I know what I am talking about—there is little assurance that this body is going to approve $16 billion for child health care, little assurance, because clearly there are all kinds of ideas on how we ought to do it, and it will take a few years for those to pan out. We said, ''OK, Mr. President, even though you don't know how you're going to do it, we'll put it in there for you.'' That is the very truth about the $16 billion.

Mr. President, I want everyone to know—and I want to state for the other side—at the expiration of the time on this amendment, I will claim the floor back as the floor manager, and unless you intend to let us vote on the Domenici substitute, I will perfect the tree with another amendment, so we will get a vote on it, and we will get a vote on it before anything else happens here in the Senate in terms of this budget resolution.

I yield the floor at this point.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. HATCH. Will the distinguished minority manager yield me time?

Mr. LAUTENBERG. I yield such time as the Senator from Utah needs to make his presentation.

Mr. HATCH. I thank my colleague.

I think that the Democratic leader has made a very compelling case. The amendment we are offering does not break the budget agreement.

He summarized three points basically.

No. 1, our amendment, just like the Domenici amendment, embodies no new health care program but builds on the existing monies in the budget resolution.

No. 2, although our amendment alters the revenue numbers by raising the tax on tobacco there is no excise tax in the body of the text. It is my understanding that such language would not be in order. I think it would also raise serious constitutional questions about a tax originating in the Senate. I think my colleagues understand that point.

No. 3, as I am pleased to recognize, as Senator DASCHLE has noted, our amendment does not worsen the deficit. In fact, it lowers the deficit.

You would think that my colleagues on both sides of the aisle would be interested in doing supporting this language, especially on a balanced budget resolution. Keep in mind, although this budget resolution claims to balance the budget, the U.S. Government will still have a $6 trillion national debt. The Hatch-Kennedy amendment would reduce that debt by $10 billion more over the next 5 years.

Frankly, for these reasons I believe that our amendment is fully consistent with the budget resolution as described by the distinguished Budget Committee chairman.

Let us not use as an excuse to avoid an important vote on a major public health problem that we are somehow trying to break the agreement on the budget resolution. My amendment helps the budget. And, in the end, we will be helping 10 million uninsured children who otherwise will not have the help we can provide them today.

Let me also be very candid here with respect to the strategy. We all know that if we do pass this amendment, it will probably have to be included in the reconciliation bill. If we do not pass the Hatch-Kennedy amendment today, I understand—and I believe it is probably accurate—that it will take 60 votes to do it on a reconciliation bill. I am not saying we cannot get the 60 votes, but naturally we would like to be able to have it in the budget resolution so that we do not have to have that hurdle.

If I have some advice for my colleagues on my side of the aisle, I would suggest you acknowledge that $16 billion is not enough, especially when you, in a sense, rob Peter to pay Paul. We will end-up taking DSH moneys that were to be used for the poor and using many of them for a new program of children's health.

At that, the $16 billion will not take care of more than what the Chafee-Rockefeller-Jeffords-Breaux bill provides. It will take care of maybe 3 million kids who are eligible for Medicaid but are not enrolled, but it does not take care of the 7 million kids who are not eligible for Medicaid but can't afford health insurance.

So those who believe that they are doing the right thing by upholding this so-called budget agreement when, in fact, my amendment does not break the agreement, may be making it even more difficult to pass legislation that would help poor children in working families.

One of my colleagues said, you have won Senator HATCH because you got $16 billion in the budget resolution. I admit that I am very pleased with this result and that it is a step in the right direction. And, in fact, that money would probably not be there in the budget resolution had it not been for the efforts of those Senators who support the CHILD legislation as well as other proposals.

I commend my colleagues on the Budget Committee for doing providing the $16 billion. Unfortunately, that amount will not provide the necessary financial commitment needed to ensure those children most in need.

Senator DOMENICI's substitute amendment to my amendment essentially strikes out all the moneys raised in my bill for children. In effect, the substitute amendment is what is already contained in the budget resolution for children's health—and nothing more.

Frankly, if you look at that amendment, basically it says on page 3, line 3, where we had increased the amount by $16 billion, it strikes out $16 billion; page 3, line 4, it strikes out the money; there on page 3, line 5, it strikes out the money; there on page 3, line 6, it strikes out the money there, right on down through the whole amendment.

So all they are saying is they are going to limit new spending for children's health to $16 billion, whether that is adequate or not. I think we have made better than a good case that it is inadequate. I think we made a case that every Senator in this Chamber ought to be able to support.

It is time to resolve this problem. We are going to have to resolve it. You know, the odds have been very heavily against us from the start on this thing in the budget context. But I hope that those who are supporters of the Hatch-

Kennedy bill will stand up, and I hope that there are others who may be supporters who will think this through and realize that it is a good amendment to support.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY addressed the Chair.

Mr. LAUTENBERG. Mr. President, I yield 10 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, with all due respect, I think the position of the chairman of the Budget Committee is to deny us an opportunity to get a vote on our particular measure.

I listened with great interest to what he said. He said that, ''I think three mature adults would be able to look at this amendment and make a judgment that it's inconsistent with the budget agreement.'' We have more than that number here that are prepared to vote on that issue. We think that at least 100 adults ought to be able to vote on that issue and make a judgment. We have tried to address the concerns that were raised concerning the consistency of our amendment with the overall budget agreement, and we did address them earlier.

I want to point out that the budget resolution is the right vehicle for this measure and I am sure that the Members are aware of this. I listened and watched how the Senator from New Mexico was looking over at the Senator from Utah saying with great fanfare, ''You can raise these issues at any time. You're a member of the Finance Committee.'' Of course, as the Senator from New Mexico knows, measures dealing with raising a tax must begin in the House of Representatives, not in the Senate Finance Committee.

So to raise the tobacco tax, we need to amend the revenue bill. The Constitution requires tax bills to originate in the House, the reconciliation bill created by the budget resolution will probably be the only revenue measure considered this year.

We ought to understand substance of this debate. This is not a case where we will be able to address this tomorrow, next week or 2 months from now—this is it. For the parents of children that need health insurance, this is the opportunity. Now is the moment. Today is the day in the U.S. Senate. Unless we provide for the tax in the budget resolution, we will not have an opportunity to offer the amendment later. This budget is not only the right place for this amendment, it is the only place for this amendment. That is why this debate is so important.

We were prepared to vote a few moments ago, and we are prepared to move now to reach some conclusion.

Given the reasons I outlined, I urge that we support the Domenici amendment. What that will do is restate what is in the budget agreement, which is the $16 billion in the restoration in terms of Medicaid. We agree with that. We would not council our Members not to vote for that. We agree with that. We hope we will have an opportunity after that amendment is completed to vote on our amendment.

As I understand, the Senator from New Mexico will ask for recognition and he will put in another amendment. He can do that. That amendment will be accepted and we will be right back to a point where we can offer our amendment again. We can do that again and again and again and again and again. The question then becomes, why can we not have the vote on this particular measure? Why can we not go ahead and have the vote on this measure? We believe very sincerely that it is not inconsistent with the budget resolution.

The Senator from New Mexico has not told us about how this would reduce the possibility of a capital gains tax. He has not stated that our amendment will eliminate the possibility of increasing the estate tax exemption. He has not said it will compromise our opportunity to do something about IRA's or the education tax. He has not said this will cut back on the issue of spending cuts, because, as he knows, the final amount as mentioned in the reported $138 billion, will be included in the first downpayment and installation. None of this is altered or changed by our amendment.

Mr. President, we have to come back to the issue here. The issue is whether the Senate of the United States will go on record this afternoon in saying we will provide a very modest increase in the cost of cigarettes, 43 cents a pack, that will convey direct health benefits to millions and millions of children discouraging them from smoking and providing $20 billion over the next 5 years to help States pay for children's health coverage. States can then make the decision as to whether or not they want to participate. It will also provide a $10 billion deficit reduction.

That does not do violence to the budget agreement. This is not an amendment that says we want this coverage, now you find the revenues. We are not taking the revenue out of any particular area. This amendment is self-funded. It is probably one of the few, or only, self funded initiatives that will be offered this session. Maybe others will come down.

That is the issue. I hope the leadership would not deny us the opportunity for the Senate to express its will. It is 10 minutes to 2:00. We were scheduled to debate from 9:30 to 11:30. We had speakers ready to speak and we were ready to vote at 11:30, and now at 10 minutes to 2 o'clock we are told we will have one underlying vote and maybe another. I think the message that will come out of this debate is that the Republican leadership refuses to let the Senate of the United States vote on a children's health care issue. I think that would be very unfortunate—unfortunate to the children and unfortunate to the parents.

I do not see why we should be denied the opportunity to let the Senate work its will. We are completely within our rights in offering it. We are within our rights to expect we would have a resolution. This is a matter of enormous importance and it has overwhelming support of the American people.

Mr. HATCH. Will the Senator yield?

Mr. KENNEDY. I am happy to yield to the Senator.

Mr. HATCH. I have been listening to the Senator and I think anybody who understands the parliamentary situation knows we can get a vote. It may take a few days, but we can get a vote. I do not want to have that kind of a confrontation, but if that is the way it is, then that is the way it is. I am prepared to accept the Domenici amendment and probably some of the future amendments, and I am prepared to vote.

That still does not resolve the problem that the distinguished Senator and I have been trying to solve, am I right?

Mr. KENNEDY. The Senator is absolutely correct. We have made our case. We have strong support on both sides of the aisle. All we want to do is get the Senate to work its will on an issue involving the coverage of health care for children which will be paid for with a cigarette tax.

Mr. HATCH. May I ask my colleague another question? Is it not correct that all we are saying here is that we would like to have a vote, win or lose, on our amendment today? If we win, that makes it easier for us to go through the process. Naturally, any good legislator should want to do that if you really believe in what you are doing. I have to say both of us believe in what we are doing.

That is true, is it not?

Mr. KENNEDY. The Senator is correct. This will be the most important vote in this Congress on children's issues. This vote we are about to either have an opportunity to conduct or be denied that opportunity, will be the most important vote in this Congress. There is no question about that.

Mr. HATCH. Will the Senator yield?

Mr. KENNEDY. I am happy to yield to the Senator.

Mr. HATCH. I normally would not get this argumentative, but, to be honest with you, I have heard some of the worst arguments against this bill that I have ever heard in any Senate proceeding.

This morning I read a New York Times article, ''Citing Lost Cigarette Revenue, GOP Fights Child Insurance.'' I could not believe what I read:

> Republican senators today attacked a children's health insurance bill, saying the higher Federal tax it would put on tobacco would cost the states more than $1 billion in revenue annually by cutting cigarette sales.
>
> The measure, proposed by Senators Orrin G. Hatch, Republican of Utah, and Edward M. Kennedy, Democrat of Massachusetts, calls for raising the current 24-cents-a-pack Federal tax to 67 cents to pay for subsidized insurance for children of the working poor. The sponsors of the bill intend to offer it on

Wednesday as an amendment to the budget resolution.

Here is where it is interesting:

The Republican Policy Committee, an arm of the leadership, today called the sponsoring Senators' intentions ''admirable'' but misguided, ''because states depend to a great degree on excise tax revenue.'' The committee estimated that decreased smoking resulting from the tax increase would cost states and localities $6.5 billion over five years.

''Even if one believes that decreased demand for tobacco is positive from a societal view, it still has negative fiscal aspects for the States,'' the committee said.

Let me tell you, that is really something. I had just heard about this recent policy analysis put out by the Republican Policy Committee about the ''unforeseen effects'' of the tobacco tax. I was not exactly proud to be a Republican under those circumstances. I am sure some of my colleagues wish I were not today.

But I am going to be because I believe in the Republican Party and I believe in what we stand for and I believe in taking care of kids. I believe in helping those who cannot help themselves.

Let's start taking the money away from those that can but won't help themselves.

As my colleagues may be aware, on April 23, the Republican Policy Committee issued a report entitled, ''The Complex Problem of Insuring Uninsured Children.'' This report, revised on May 1, noted that this is the first in a series of RPC papers devoted to this issue. We can only hope that this most recent May 16 piece of tortured logic is the last of this series unless more compelling analyses are forthcoming.

Here is the point that is entirely missed. It would be a great thing for the public health of this country and particularly for the health of young Americans if tobacco tax revenues dropped substantially because tobacco is the single greatest preventable threat to our Nation's public health.

No one should be so protective of lower tobacco taxes because the taxes might raise more revenues, any more than the public would support appointing Dr. Kevorkian as a Surgeon General in an attempt to achieve Medicare savings.

I look forward to economists studying in detail the analyses of the May 16 RPC paper. It seems to me that the tobacco companies would have liked to have been able to have included this somewhat mysterious line of reasoning in their public comments to the FDA rules pertaining to the regulation of tobacco sales to minors.

I wonder how much of the supposed $6.5 billion in lost revenues to States that they say will happen comes in the form of illegal sales that are quite literally poisoning and hooking our youth. I also want to know what Governors publicly take the position that State tobacco revenues are more important than the public health. I doubt many of the 20-plus attorneys general involved in lawsuits to recover State Medicaid funds attributable to tobacco-related illnesses would agree that a decrease in tobacco consumption is a bad idea.

It seems to me that the title of the May 16 report, ''Unforeseen Effects of the Much-Touted Tobacco Tax Should Be Changed,'' frankly, it would be better titled, ''The World Turned Upside Down.'' I will be interested to know what the experts on the Joint Tax Committee and other groups, how they will view this RPC analysis.

If I were not just a humble country lawyer from out West, I would almost get the feeling that somebody told the analysts at the RPC to trash the tobacco tax in any way possible. I have been around here for 20 years, better than 20 years. I have been trashed by more gifted analyses than this.

Let me close this portion of my thoughts by saying that if I could get a list of Senators who are withholding support of our amendment due to the reasoning contained in the RPC document, I would immediately enter into discussions with my cosponsors. I think it is probably safe to say that if this is what it takes to attract more supporters to our measure, we can probably shift some of the funds marked for Federal deficit reduction to indemnify the States from potential revenue losses to any decrease in tobacco uses.

Who are these Senators? Senator KENNEDY and I would like to talk to you.

Now the Republican Policy Committee is implying that it is more important to preserve tobacco excise taxes than the health of our children because we will get people, especially children, to quit smoking in the process. We know that every time smoking goes up 10 percent, 7 percent of the kids will never touch a cigarette.

Are we to sacrifice people's health and lives to preserve tobacco excise taxes? Would we rather have excise taxes than healthy citizens in our States? Those who argue this way seem to want to maintain big tobacco revenues at the expense of the life and health of our citizens.

Now, I find this appalling because all Senator KENNEDY and I are offering is legislation that will result in good health for smokers and which will help children. The arguments of the opponents are logically flawed. Their interest in maintaining State tax revenues at a certain level is more important to them than the health and welfare of the citizens in our States.

When it gets to the point that we are so ideologically constipated that we place the preservation of State tobacco revenues above the welfare of our American citizens, then we need to rethink our philosophy. I have to say I would have been willing to sit down and discuss this matter with anybody, reasonably, on how to handle this.

I have to admit that I am probably irritating everybody around here. But I am irritated, too. If you want to play this game, we can just have one vote after another from here on in until the end of the process, and we will finally get our vote. If it means day and night, I will be here. I have done it before. I can do it again.

All I want is some consideration for our side. In all honesty, I don't think we have had much. We are talking about kids here. We are talking about the poorest of the poor kids not on Medicaid, and about Medicaid kids, too. We are talking about doing something right—doing something for people who cannot help themselves and doing it by raising money from the industry that is causing a lot of the troubles.

I also have to tell you that 72 percent of all adults in this country think this is the right thing to do. And even 50 percent of all smokers think it is the right thing to do.

There isn't a better tax cutter in this body or one more zealously devoted to it than ORRIN HATCH. Don't tell me about raising taxes, or cutting taxes.

I have been for every tax cut I can get. I was one of the few who voted against the 1986 tax increase in the Reagan years and the Bush tax increase when it came up. I voted against that even though I was brought down to the White House and asked to vote for it. I sincerely told the President I couldn't do it.

So I have the credentials on tax cutting. I was one of the original supply-side proponents and went all over this country to 36 States for then-Governor Reagan arguing for tax cuts.

Here we have something that could be done to rectify some of the problems of our society without a cost to 80 percent of American taxpayers—only about 20 percent would pay this—and you would think the whole world was coming to an end.

I really believe that if big tobacco were smart, they would come and say we ought to do this. People out there would respect them, and there would be more of an interest in trying to work out their difficulties with them.

I have to say that I am getting a little frustrated. This is an important issue. It shouldn't be treated trivially.

So we will just see what happens. Unless I can be shown some better way of getting this amendment considered and having an up or down vote on it, then we are just going to keep fighting this battle until we get that vote.

I am open to the suggestions of my colleagues. I am open to sitting down with them to talk to them and see what can be done. But until then, this is the way it is going to be here.

We may lose here today. But, if we do, it won't be for the lack of trying, and it won't be the last time we try either. It isn't going to end, even if it is right up to the end of the Congress. I just want to notify everybody now. I do not want any arguments next year that somebody is going to be hurt by this debate because I have notified this body that I plan to press the issue.

I want to thank my colleague from Massachusetts for yielding to me.

I yield back to my friend from Massachusetts.

The PRESIDING OFFICER (Mr. HELMS). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I will take maybe 3 minutes.

Mr. LAUTENBERG. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator from Massachusetts has 1 minute 40 seconds remaining on the amendment.

Mr. LAUTENBERG. I yield the time to the Senator from Massachusetts.

Mr. KENNEDY. Three minutes from the bill.

Mr. LAUTENBERG. I yield 3 minutes from the bill.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I just want to commend my friend from Utah for presenting what is the real issue before the U.S. Senate at this moment, and for making such a convincing case in support of this amendment which will provide health insurance for children.

Mr. President, I am having trouble understanding why our majority leader is not willing to let us vote on health insurance for children financed by a cigarette tax. I am just wondering why he is hesitating. What are we afraid of? Why can't the Senate decide by a majority vote whether our national priority is to children or to tobacco companies? Why can't we vote on whether the Senate stands with children or with Joe Camel and the Marlboro Man?

I think we ought to move ahead and have a vote. That is what the regular order would be. We don't take any satisfaction in just urging the Senate to accept the amendment of the Senator of New Mexico. The only thing we are trying to do is get a vote on our particular amendment. I certainly hope that cooler heads of leadership will at least permit us the opportunity to do so.

Mr. President, my time has expired. I urge all of my colleagues to vote in favor of the amendment of the Senator from New Mexico because it is a restatement of what is in the budget resolution bill—$16 billion for needy children. We are in strong support of that proposal.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. I ask unanimous consent that I be allowed 30 seconds.

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

Mr. HATCH. Mr. President, I also suggest that everybody vote for this amendment. That is fine with me. We will just vote for it. I am prepared to take it, but if not, then let's vote, and we will go from there.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, could you tell me the time on the Domenici second-degree amendment?

The PRESIDING OFFICER. The time for the sponsor is 16 minutes 51 seconds.

Mr. DOMENICI. I yield myself up to 5 minutes.

The PRESIDING OFFICER. Five minutes is yielded to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I would like to make just two arguments.

The first one is somewhat in response to my friend, Senator HATCH, for whom I have great respect.

Mr. President, I think it is inconsistent with the facts of the agreement between the President and the Congress for any Senator to stand up here on the floor and talk to the American people as if their proposal is the only one that is going to take care of children in America. That is not true, whether it come from my distinguished friend, the senior Senator, Senator HATCH, or from whomever. The statement should be that they think they have another way to do it. But to try to look out there and say to America this is a serious issue, it is about kids, as if to say the agreement we made with the President isn't about kids.

So we are not going to stand here and let that occur without telling the American people that that just isn't so, no matter how or under what circumstance my good friend, Senator HATCH, desires, or speaks it on the floor of the Senate. We are just as much about kids as his proposal is. For him to stand here and imply that that isn't the case is just not fair.

We believe in the agreement with the President, although we would do it a different way. We wouldn't send the money to the Labor and Health and Human Services Committee. We would send it to the Finance Committee. But we believe we took care of the kids who are going to be uninsured during the next 5 years of this budget agreement.

So I just want in my first observation to say, yes, this is about kids. Yes, it is about uninsured kids in America. And, yes, we cover them. If we want to talk about another issue, a cigarette tax, which this amendment does not guarantee—in fact, there is every reason to believe that, if you adopt it, the Finance Committee of the U.S. Senate and the Ways and Means Committee of the U.S. House need not adopt it.

So to make like that is the issue, like something in this amendment is going to get you cigarette taxes—which I am not against, incidentally, I am not against them—but that just isn't what the amendment does. You can talk about some bill you have in mind, but this is a budget, not a bill.

My last point is this. I defy anyone—and I urge my good friends who would like to take the position that this amendment is not inconsistent with this agreement. I would like them to do just one thing. I ask my friend, Senator HATCH, to do just one thing: Just get the bipartisan agreement when you have a moment. Look at item No. 1. I will read it to you. ''The elements of this bipartisan agreement provide for deficit reduction amounts that are estimated to be the result in the balanced budget by 2002.''

It proceeds then to say that there is a tax—a summary of the agreement. It is in a chart form. The agreement then proceeds to say that the majority leader, the minority leader, the President of the United States—as I indicated, maybe not the Vice President, because maybe he is not bound by the President—but it says that this agreement, as contained in this piece of paper, these numbers, governs and that anything that will be offered that is inconsistent will be opposed.

I say to Senator HATCH that his amendment takes this agreement, this one right here, and it changes two of the numbers right off the bat—the $85 billion on the tax cuts is changed by his amendment. In fact, it is reduced by $30 billion. Excuse me. The Presidential initiatives, a line here, $31 billion, you have altered that by adding $20 billion.

So now I don't believe anybody ought to be taking the point that the majority leader of the U.S. Senate, or minority, or our whip, or myself as chairman, that when we say this does break the agreement, I cannot conceive how anybody could say that they have another interpretation that says it doesn't. That makes it a very important event.

Would Senator NICKLES like to speak for a few moments?

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I want to echo the comments made by my colleague from New Mexico. This is even more important than the budget agreement.

You are only, in the Senate, as good as your word. There is a document that says we are going to have net tax cuts of 85. This makes net tax cuts 55. There is an addendum that says there is going to be a kid care initiative that costs 16. This amendment makes that kid care initiative 36.

This is not the agreement. If people on the other side are now saying this is consistent with the agreement, that is not the case. And it really does unravel this deal. It is beyond me.

I would like to think that people would have more credibility in their word and would say, ''I will always tell you the truth.'' If people are going to say this doesn't break the deal and the Vice President is going to come down and say this is consistent with the deal, then we don't have a deal. Some people are just evidently quite happy to break it up and make sure that we don't have a deal.

I will go further to say that this is consistent with the deal. I can certainly have an amendment to cut discretionary spending by $20 billion and increase the tax cut by $30 billion. I would like to offer that amendment. Tell the majority leader, I would like

to offer that amendment. I think we spent too much money on the discretionary side, and I think we didn't cut taxes enough. It wasn't my intention to offer that amendment because it would be inconsistent with the deal.

I want a balanced budget. I want some tax relief. But this amendment, if it passes, tells me there won't be a budget. It tells me that people who ''negotiated in good faith'' can say that this is consistent. Frankly, that bothers me more than the amendment. It bothers me a lot. You have to be as good as your word.

There is a package here that says here is the agreement. It says kid care, $16 billion. It didn't say 36. It said net tax cuts 85. It didn't say net tax cuts 55. I do not want to go to my constituents and say it was going to be 85 but now it turned out to be 55. But, boy, we got gypped. We didn't do what we said we were going to do.

We ought to at least try to do what we said we were going to do, but yet we have not been here 1 day and people are undermining this agreement and, frankly, making allegations that this is consistent with the package when it absolutely is not.

If this amendment should pass, this is one Senator who will not be supportive of this package. And it bothers me because I want to balance the budget. I want to provide some tax relief. I want us to help save Medicare, and I think the net result is the passage of this amendment says there will be no budget package this year.

I hope people are aware of this when they cast this vote. I hope they do not think this is just a free vote. I hope they do not think the rest of the people are going to run over on this side and put this budget resolution together and pass a net tax cut of 55. I do not think that will be the case. I do not think it will happen. So I hope people will recognize we are not talking about trivial, little things, that we have legislation in here that encompasses the Hatch-Kennedy bill, but we do have language that says we are going to have a net tax cut of 55. There is a $30 billion tax increase.

If somebody wants to raise taxes—and I hear my colleagues talk about this—if they want to raise taxes on tobacco, very easily they can wait until the reconciliation bill comes in the Chamber. The reconciliation bill, consistent with the budget package, will have a net tax cut of $85 billion. If they want to have an amendment to that tax cut that says they want to raise cigarette taxes and cut other taxes, that is consistent with the package; they can do that. They cannot come in and say, we want to spend an extra $20 billion in kid care that is not consistent with the package, but they could do that. And then they will be playing with the real bill. They are talking about real bullets. They are talking about taxes.

If they want to raise cigarette taxes and cut other taxes, I might support them. I might help them draft it. But they cannot come in and say, hey, we are going to change the net side of this tax cut as this amendment proposes to do from 85 to 55. They cannot do it. It is not consistent. It is a deal-breaker. This says the agreement is not worth the paper it is written on. And if the President is going to come down here and endorse it by his vote, or his effort, his presence, that means we have a real credibility problem. We have a real credibility problem.

This amendment is not consistent with the agreement, and I do not think anybody should make that allegation. This is a budget-breaker. This amendment basically says we do not want a budget this year.

Mr. President, I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. If the Senator from New Jersey will yield 3 or 4 minutes, 5 minutes.

Mr. LAUTENBERG. I yield 5 minutes to the Senator from Massachusetts from the resolution itself.

The PRESIDING OFFICER. The Senator is yielded 5 minutes.

Mr. KENNEDY. As Senator HATCH and I have pointed out, this is basically budget neutral. I included earlier in the RECORD the assessment of the Joint Economic Committee, and what we have demonstrated is that the expenditures that will be used in order to pay for the program will be raised by the increase in the cigarette tax.

The opponents of this amendment cannot have it both ways. You cannot spend half the morning saying we are against the increase in the cigarette tax and then in the afternoon say, well, this is going to somehow diminish the whole budget agreement in terms of revenue.

That is what they have been saying. That is what opponents have been saying.

The fact is, as everyone in this body understands, this is revenue neutral. This is revenue neutral. I have said if they can come in and find out where our amendment is going to reduce the capability of the Finance Committee and the Ways and Means Committee to affect the estate taxes, capital gains, IRA's, student assistance, let them make that case. You cannot do it. You cannot do it. I listened to the rhetoric, and it still does not stand.

Mr. President, the real issue I think is whether we in the Senate, on the one vehicle that can make the difference, are going to have an increase in the tobacco tax and have a children's health insurance program. That is what we are talking about. That is what we are talking about.

I have increasing frustration with why the majority leader and the chairman of the Budget Committee are refusing to let us do so. We can make up our own minds. The case has been set. People have listened to the debate. Let them make up their own minds on it.

It is our position that when it says in this budget agreement if bills, resolutions or conference reports are deemed to be consistent—I think our minority leader had indicated how it is consistent, because the budget points out we are taking $16 billion to look at the Medicaid. We are looking at those individuals who are just above the Medicaid, the working poor, looking at those children. A child is a child. We should not say, OK, it is all right, it is consistent with that. If you are going to be below a certain level of poverty, it will be 85 percent above the poverty, and say, well, that is completely inconsistent. The American people are not going to buy that. The American people are not buying that. That is an absolute phony, fake argument.

This is consistent because it is looking after needy, poor children—that is the issue—paid for by a cigarette tax. If you do not want that and want to oppose it, at least say let us go ahead and vote and take that position. But we have been on it now since 9:30 this morning. It is 2:30. We are denied the opportunity to let the overwhelming majority of the American people have a vote on it.

Seventy-five percent of the American people support this. And if they are watching television today, they are saying, why can't the Senate of the United States at least vote it yes or no? We are being denied that. Quite frankly, the children who have been denied that health insurance, unable to get it, have been very patient. Their parents have been very patient. They are very patient every single night when they are concerned about those children. They are spending all night, all day, every day. We can certainly be patient, too, if the parliamentary process is going to deny us that opportunity. The majority has the right of recognition, and they can put on another amendment; we are supporting this. Then they put on another. But eventually that slot is going to open up and Senator HATCH and I are going to be here to fill it.

That is where we are, Mr. President. We just cannot understand why here, after all these hours, with this issue and debate, somehow some Members on that side are saying, if you pass a small health insurance program for needy children, 10 million children, that is paid for, it is going to end the whole budget deal. That is what they are saying. They are saying, if you provide enough money for 10 million children, the world is going to come to an end. We are ending the budget deal. We will never get to a balanced budget.

Mr. President, they cannot be such strong defenders of Joe Camel.

That is where we are, Mr. President. I hope we can move ahead. We are going to try to point this out all the way along the line, but I hope we can move ahead and get to some judgment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time would the Senator like?

Mr. GRAMM. Why not give me 5 minutes.

Mr. DOMENICI. I yield up to 10 minutes to the Senator off the bill.

The PRESIDING OFFICER. The Senator from Texas is yielded up to 10 minutes.

Mr. GRAMM. Mr. President, in all of this passion, in all of our efforts to vilify cigarettes and talk about taxing them, I think we have really forgotten a fundamental fact, and that is that we already have more money in this budget than we need to buy an insurance policy for every child in America for whom we are seeking to provide health coverage.

Let me go back and try to remind people of what this whole debate is about. What this whole debate is about is that the President, after looking at various statistical estimates, concluded that if you look at every family in America with income up to 300 percent of the poverty level, and I remind you, for a family of four that is $48,000 a year of income—I say to our distinguished majority leader from Mississippi, that is higher than the per capita income and family income of his State—that if you look at families up to 300 percent of poverty, there are as many as 10 million children in America who are not covered by either Medicaid or private health insurance.

Now, what the President has done is set the goal, recognizing that 3.3 million of these children already are or will be qualified for Medicaid—they just had not signed up—the President set out a goal of coming up with a program that helps 5 million more children to get private health insurance.

I would like to remind my colleagues that the cost of a private health policy for a child, looking at various data that is available, averages about $500 per child for a fairly standard policy—lower with a higher deductible, higher with a much lower deductible, but basically $500 per child. We could go out and buy an insurance policy for all 5 million children in America that we want to cover, and we could do it for less than the $16 billion that is in this bill.

So why should we pass an amendment—unless we just get some pleasure from spending money, why should we pass an amendment to raise it up to $36 billion, which would allow us to buy three policies for every child in America that we are trying to help. What could possibly be the purpose of such an amendment? What is the purpose of the Kennedy amendment when he started out saying we need $20 billion? The President started out with a program that was less than $10 billion. We ended up with a budget that was $16 billion. But the amendment does not say we will take it to $20 billion. The amendment says take it to $36 billion.

Now, is there no limit on the amount of money that we want to spend? If we already have in the budget enough money to buy an insurance policy for every child in America that we are trying to target here, even up to families that make $48,000 a year, where 82 percent of those families already have private health insurance policies that cover their children, is that not enough? Isn't one insurance policy enough? Why should we have in this bill enough money to buy three insurance policies?

That is what the debate here is about. If we simply want to say how much we want to deal with this problem, maybe this amendment has some relevance. But the plain, honest-to-God truth is, it is going to be hard in any rational manner to spend the $16 billion we have already provided. If we just simply went out and bought every child in America that qualifies in this 5 million children problem that the President has defined, we have more than enough money already to do it.

Why do we want to add $20 billion more? Could we not use that money for some better purpose? Could we not let families keep the money and invest it in their own children and their own future?

So I just want to remind people, in all of this passion about how we want to pound our chest and say how much we care about children, we have already have enough money in this resolution to buy an insurance policy for all 5 million of the children that the President has targeted and that we have agreed to. We clearly could do the job for much less than we have already committed to spend. But the point is, why spend three times as much as is required to simply buy the insurance policies? There is no logical reason for doing it. All we are doing is bidding with each other for spending money.

I would like to note, finally, two additional things. No. 1, I am not for this budget agreement, and I am going to be in the Chamber when this amendment is disposed of telling people why I am not for it. But I am not going to vote for the Kennedy amendment to try to kill this budget agreement. And I hope there is nobody on our side of the aisle, if this vote turns out to be very close, who is going to cast a vote for the Kennedy amendment thinking, by doing that, they are going to kill all the bad things in this budget agreement that we are not for. I have never found that I was smart enough to game the system and end up where I wanted to be on that basis.

So we are going to have an opportunity on final passage to vote ''no'' if we are going to be against it. I am going to offer amendments that present another vision. But what I want to urge my colleagues to do is to look at this amendment and see we already have more than enough money to buy the children's insurance policies that we need. So let us stay with the amount we have in the bill. As chairman of the subcommittee that is going to be instrumental in trying to put the bill together, I would attest that we can cover all 5 million children with the $16 billion we have.

Finally, let me say that it is discouraging to see a budget deal that commits to $16 billion of brand new programs, little baby elephants that are just going to grow, and we cannot pay the bills we already have in Medicare and Medicaid and Social Security. But, even for many of our Members, the $16 billion is not enough. The ink is not even dry on the budget deal and here we are, talking about busting it big time. It has to be very discouraging.

Defeating this amendment, it seems to me, is the reasonable thing to do, unless you really believe that it is just important that you be able to say to people: Not only did I want to insure people, but I wanted enough money to do it several times over so we can do it just as inefficiently as we wanted to and still reach everybody. Unless that gets you something at home, don't waste this $20 billion. Don't vote to raise taxes and spend this money. We already provide the funds necessary to serve the children we seek to serve.

I yield the floor.

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

Mr. DOMENICI. I yield off the bill as much time as the distinguished majority leader desires.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, I thank the Senator for yielding me that time. We don't want to go over everything that has been said two or three times this afternoon, but let me again make it very clear, if the Kennedy health care proposal had been in this budget agreement, I would never have agreed to it. I would have never signed on to it. This is a new entitlement program. It is money on top of what is in the budget agreement. As a matter of fact, I agree with the Senator from Texas, what he just said, the $16 billion was more than I thought was necessary. But it is in the agreement and the Finance Committee is already working, I am sure, on ways to deal with those children that might, in fact, be uninsured or not covered. They have the opportunity to do that. And there is enough money in here to do it.

But, now the Senator comes in here and makes all kinds of threats about how we will go on and on and on today, until we get a vote—I guess he presumes to put this in there. And then the argument is made that this does not change the agreement.

Would it change the agreement if an amendment is offered to cut spending, which I think should happen—there is not enough spending restraint in this agreement—and add it to tax cuts? I would be inclined to vote for that, want to vote for that. That would be the right thing to do. But that would clearly change the makeup of this agreement.

So, to now say that this does not change it, that it is revenue neutral, when in fact it adds a tremendous

amount of money to the area of child health care—the Senator from Massachusetts wants a Government takeover in this area. That is what really is at stake here. He knows this clearly is beyond what was included in the agreement and it would completely unravel it. What will come out of this is we will reach a point where we will not have a budget resolution. I think that would be a real tragedy. But I want to make it clear, I am opposed to this amendment, No. 1, because I think it violates what we agreed to, but, also, I am opposed to the Kennedy-Hatch approach here. I think it costs too much money. I don't think it is the answer to the problem.

The Finance Committee can work on this and come up with solutions that will get the job done for those children who do in fact have a problem. So I do not think it is fair to imply we are not concerned about this area and we cannot deal with this problem. It is just the Kennedy-Hatch proposal is not the be-all and end-all. There are other proposals out there: 100 percent deductibility or 80 percent deductibility of the cost of this health care is one way to go, with more flexibility for the States. Why, the States are already using that flexibility to make sure children are covered. In the State of Utah already the Governor, with limited flexibility, has been able to make sure that a third of the children that were not covered are in fact covered. That was pointed out in a Wall Street Journal article in April of this year.

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

Mr. LOTT. I am glad to yield.

Mr. GREGG. The Senator points out the State of Utah already has a program where they are attempting to cover uncovered children, as do 32 other States.

Mr. LOTT. Yes.

Mr. GREGG. Under the language in the bill presented by the Senator from Utah and the Senator from Massachusetts, that program would essentially be overridden. That program would no longer exist, because the eligibility requirements are strict, those required under the Kennedy bill are so strict that the Utah program would no longer fit in it and therefore could no longer function.

This bill would eliminate that Utah program, along with 33 other States. Is the Senator aware of that?

Mr. GRAMM. Including New York.

Mr. LOTT. I was not aware that it was actually that restrictive, but I know the Senator, who is a former Governor, knows what the States already have been doing and is familiar with the specifics of this proposal and how it would make it even more difficult to provide the coverage that is needed.

Mr. HATCH. Will the distinguished majority leader yield?

Mr. LOTT. I will yield, yes.

Mr. HATCH. I think it should be pointed out to the majority leader that our bill does not interfere with the innovative programs in Utah and many other States which are doing so much to help children get health care.

I think it is important to underscore that even with the great Caring program, there are still 56,000 kids in Utah who are not covered. This is in spite of the Utah Governor's substantial efforts as well. And I might add that throughout the country similar efforts are occurring.

If the Senators believe that the language of my bill is not clear on this point, I am open to suggestions on what we can do here.

But I think that a much larger point bears repeating. The budget includes a reduction in spending of about $14 billion for Medicaid. Clearly, everyone recognizes that most of the reductions will probably come from the disproportionate share program, or DSH. There are not many other offsets within the Finance Committee.

At the same time, the budget includes $16 billion in new money for children's health care initiatives. It seems reasonable to assume that the Medicaid reductions will come from DSH—which, after all, is a program for the poor—and the increase will be given back to the poor in the form of Medicaid improvements or a mandatory grant program.

So it looks to me like a fairly good percentage of the $16 billion in new money will end up being taken from another program serving poor children and seniors.

Don't get me wrong. I think it is a wonderful thing for the budget to include the $16 billion.

But if you analyze the numbers, you will see that that amount probably will cover the 3 million kids who currently qualify for Medicaid but are not enrolled, and maybe even a few more. But I doubt it will even cover 5 million in a meaningful way, as the budget document suggests.

And that still leaves 5, 6, or 7 million kids who are not covered.

All I am saying is this. We are not interfering with any of those 33 State programs. This bill does not interfere with them. In fact, it builds on existing State efforts.

Mr. LOTT. Mr. President, if I could regain my time—

Mr. HATCH. If I may just finish? I apologize for taking so much time, but let me make this point, since my State was mentioned and since I think the statements were not completely accurate.

Under our bill—which as Senator NICKLES pointed out earlier is not even the subject of our amendment today—participating States would use Federal grants to help working parents with incomes too high for Medicaid buy private health insurance or purchase care through a Community Health Center for their children.

So Utah could use the Federal funds under the CHILD bill to supplement the current privately supported Blue Cross/Blue Shield Caring program for children, which serves over 1,000 children. This program provides a base on which to greatly expand subsidized private health insurance coverage.

And I know this is true, because I am one of those who helped get that program up and running.

I might also add, just for my good friends and colleagues, the distinguished majority leader and the Senator from New Hampshire, the Utah program has endorsed the Hatch-Kennedy bill. I think that is just something that needs to be said.

Mr. LOTT. What the Senator from Utah is trying to do, along with the Senator from Massachusetts, is mandate how this problem should be addressed and add more money beyond what is needed to get the job done, and to put it in the budget resolution. We had lengthy discussion about how to deal with this. Meeting with the President's representatives, talking with the President, we came up with what we thought was a reasonable compromise in terms of the amount of money, $16 billion, without the Government takeover provisions, without the Federal mandates. I have information here that indicates there are five new major Federal mandates included in this bill, which will, in fact, complicate the job of insuring the children.

We have an adequate amount of money. We are saying to the Finance Committee and the Members of the Senate, in a subsequent vote that we will have on a reconciliation bill, that there is an area where we need to help children who are not covered. We have the funds to do it. And for them to come up with proposals.

They will be able to do that. But, no, the Senator is saying: Do it our way and do it with an additional $20 billion. Clearly, this is not going to get through the process. It just cannot, because we will not have a budget agreement if this is included in there. I do not mean that as any sort of threat. I just mean, if we start down that trail there are going to be other amendments offered that then—look, if the agreement we shook hands on is going to be wiped out here with this amendment, where does it stop? There are other amendments pending out there. There are amendments I would like to vote for. I intended, on our side, to oppose them because they were not part of the agreement. I would like us to have a disaster fund set up in advance. The Senator from Texas has an amendment on that. I do not think there are adequate tax cuts in this agreement. I think we should have more.

If we are going to start doing that, we will wind up with at great big mess on our hands and no budget agreement. That is what is at stake here. Over the insistence that we do it the way the Senator from Massachusetts says, to add another $20 billion above what we agreed to and what is necessary, we are going to threaten to take down a multitrillion-dollar budget agreement

that gets us to a balanced budget, that has some reforms in it, some restraint on spending—not nearly enough—and some tax cuts, and not nearly enough in that area either. I don't think it is worth jeopardizing a multitrillion-dollar agreement that the President signed on to.

If he has changed his mind, if he has walked away from this, I think he owes me, you know, the right to know if that is the case. I expect that before the day is out we are going to have some votes. We are going to see whether the Democrats are going to live up to holding this package to the way we agreed to it or not. If you are not, then how am I going to be able to do that?

I have taken the flak, I have kept my word. This clearly will defeat the whole purpose of the agreement and what has already been approved in the House of Representatives last night in the wee hours of this morning, and what came out of the Budget Committee on a 17-to-4 vote.

Now we are going to rewrite it here on the floor, mandating it has to be done this way. I just think it is absolutely the wrong thing to do, Mr. President, and we intend to resist it all the way.

Mr. KENNEDY. Will the Senator yield 5 minutes on the bill?

Mr. LAUTENBERG. I will yield 5 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, this debate is reaching the ridiculous. To say that one-third of 1 percent—that is what we are talking about in the total budget agreement—the majority leader—this is going to take the budget deal down. We are talking about one-third of 1 percent spending, over the next 5 years; over one-third of 1 percent, paid for.

They say ''Oh, that is going to bring it down because it is inconsistent with the budget agreement.''

Look, Mr. President, I am reading from the budget agreement under ''children's health, paragraph 2.'' The funding that is in the program here can be used for this purpose:

> A program of capped, mandatory grants to States to finance health insurance coverage for uninsured children.

That is what our bill is. That is what our bill is. It is a capped grant to the States for uninsured children. It could not be any more specific than what is included in the budget agreement. That is what some of the $16 billion could be for. So we say: Well, let us add it for some of those who are the sons and daughters of working families that do not make sufficient kind of income to be able to do it. Now, when the majority leader gets up—all we are looking for is a vote. We are voting. It is quarter to 3 now, and we are being denied a chance to vote on this issue. He refuses. He says if this goes through, this one-third of 1 percent on an issue that relates to a grant to States to finance coverage for uninsured children—that is a good statement of what our bill is all about, included in the budget agreement, and he is trying to say this is so far removed—it is difficult for me to be able to accept.

Finally, just on this point, I listened to my friend from Texas talk about the problems, how easy it is to cover all of these children. It is interesting, Texas has 1.4 million uninsured children 18 years of age or younger; nearly 1 in 4 children, 23 percent, is uninsured. It is the second-highest percentage and the second-highest total number in the country. Texas would receive, under our legislation, $2.6 billion to insure uninsured children with this particular program, an average of $655 million a year for the uninsured children.

This is supported by close to three-quarters, 74 percent, of the State of Texas.

I respect my colleague from Texas saying, ''Well, there really isn't a problem out there,'' but there is a problem out there. There is a problem across the country. All we are saying, all Senator HATCH is saying, is this is paid for; it is an issue of covering children which is paid for with a tobacco tax.

Can we not in the U.S. Senate say, let us, on this issue, go forward with a vote? Evidently, we are being denied this. It is suggested that if we dare to go forward with a vote and we possibly are able to convince Republicans, as well as Democrats, that this is a national priority, a priority for families in America to provide insurance for uninsured children of the neediest families, that suddenly the whole economy and the Nation is in danger. This is a simple choice between children and the tobacco industry, Mr. President. That is what we are faced with. It seems to me we ought to be able to decide on children this afternoon.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. How much time does the Senator from Illinois—do we want to alternate?

Mr. DOMENICI. I would like to alternate. How much time does the Senator want?

Mr. GREGG. Ten minutes.

Mr. DOMENICI. I yield 10 minutes off the resolution to Senator GREGG.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for up to 10 minutes.

Mr. GREGG. Mr. President, I rise again to recall some of the comments I made earlier, but also to address a couple of other issues that have been raised here.

First off, I think it is good that the Senator from Massachusetts has finally admitted—I suspect maybe over the active opposition of his colleague from Utah—that this is a mandated program. He calls it a ''capped mandated program,'' I call it an unfunded mandated program, but the fact is, we finally got it out in the open. This is a brand new major entitlement, and it is a mandated entitlement. There is nothing discretionary about this, nothing at all discretionary about this.

As I said earlier, if this is discretionary, this has the same relationship of being discretionary as my golf game has to Tiger Woods'. The simple fact is, it has no relationship to discretionary.

Let's talk about a couple specific events that occurred relative to the States that get stuck with this program, because they are all going to get stuck with this program. Under section 2802, States lose almost all flexibility in designing health care programs for kids—almost all flexibility. Under section 2802, programs like the one we have in New Hampshire, which I described earlier which is covering in its demonstration period up to 50 percent of the kids we are trying to target without additional public costs, and we will get to the 100 percent as we develop a plan under the proposal in this budget agreement, which gives us the additional money to do that, but that plan will be wiped out. And there are 33 other States in this country that have initiatives going forward to address these targeted youth, targeted children, which programs would be put at dramatic risk, if not be wiped out.

I suggest the interpretation of the amendment of the Senator from Utah is inconsistent with the amendment's language itself. The amendment states very clearly—very clearly—that States must comply with the Medicaid criteria for supplying health care, and almost in every State, these initiatives that are going forward do not comply exactly with the Medicaid criteria as for insurance purposes. So flexibility is denied.

Not only does that happen, as I mentioned earlier, this amendment is just the ultimate in the Federal Government coming in and taking over an entire sector of health care. It is a nationalization of health care for, basically, kids and, thus, creating a tremendous movement from the private sector to the public sector with costs, as kids will move out of private-sector coverage on to public coverage.

Not only does that occur, but this amendment specifically states that waivers are rejected now. I have to tell you, as a former Governor, it is hard to get waivers, but one of the good things that this President has done is that he has loosened up the waiver process, and Secretary Shalala has been receptive to States that come forward with ideas relative to Medicaid and have asked for waivers. I suspect Utah and I suspect Massachusetts—I know Massachusetts, and I know New Hampshire and New Mexico have all participated in this waiver process to try to deliver better health care using imaginative and creative ideas that the State health agencies develop. But do you know what this amendment says? It says, ''Tough luck, States. From here on out, we give no waivers at all''—the ultimate regulatory dictatorial action; the ultimate

excess of the Federal regulatory structure.

This is a power grab, pure and simple, an attempt to move the issue of how you finance health care for kids in America to the Federal level and, as a result, it is an outrageous—an outrageous—new mandated program. It is nice we finally have an admission of that after all the denial we heard earlier, which I found incredible, but finally we have an admission that this is a mandated program.

The practical effect of creating this program will be it is going to cost an additional $20 billion on top of the $16 billion already in the budget for this targeted population which can be taken care of, as so appropriately presented by the Senator from Texas, with the $16 billion, which obviously can be taken care of because the President signed on to it and it is his No. 1 priority. This is such an insult to the President to bring this forward in this manner, because they are essentially saying the President didn't know what he was talking about when he said he could take care of this problem with $16 billion.

They are saying we need $36 billion to do it. The reason they need $36 billion, and $36 billion is an extraordinarily low estimate, is because they have a nationalization plan. That is what they are planning, they are planning to have all the kids today who are in working families who have low incomes but who happen to be covered by health insurance moving off that private sector on to the public sector. There will be a stampede of employers essentially saying, ''We're no longer going to cover you, you have to be covered by the public sector.'' That is why the price is going up. That is why they need all this extra money.

It is not going to give any child any more coverage of any significant nature. All it is going to do is allow the Federal Government to take over the program and allow the taxpayers to pick up a large percentage of the costs which is presently being picked up by the employer.

It is truly an outrage for us—after we have been down this road for the last 40 years of seeing Federal programs that have not worked when the Federal Government has federalized them, programs where the States have been delivering services, and suddenly the Federal Government comes in and federalizes it and we see they do not work, and in an attempt to address that just a year ago, we tried to reverse the situation with welfare, for example, and move the programs back to the States—for us to have proposed before us a program which says essentially the Federal Government knows best, States are going to be written out of the process, and we are going to create a huge new cost to the taxpayers of this country so that some bureaucrats here in Washington can control the definition of how kids are delivered health care and in the process wipe out the coverage that is occurring in the private sector and the capacity of States to have flexibility, it is just a public policy initiative which is totally inconsistent with what has been the flow of events in this country from a standpoint of knowing what works and what does not work in the last few years.

We have this one other issue that keeps being thrown in our face: We have a choice between tobacco and children. That is not the choice. The choice is between whether or not we want to nationalize health care or whether we want to let the States continue to participate in the process. There is no choice on coverage here. The President has demanded, and we have put in because we believe it is appropriate, $16 billion to cover kids, to cover the targeted population. That is a fait accompli; it is done. The extra $20 billion demanded in this amendment, which is going to be paid for by a tobacco tax increase, has nothing to do with coverage. What it has to do with is federalization, nationalization of a program. So this does not have anything to do with a choice between kids and tobacco. The kids have already won. We have already in this bill taken care of that issue.

Now, if the other side were honest about this, they would allow us to divide the question. They would allow us to divide the question, and let's have a vote on the tobacco tax increase, independent of this brand new major entitlement. But they are not going to let us divide the question. I will move to divide the question. It will be objected to.

I am happy to have an up-or-down vote on tobacco tax increases. As Governor, I increased tobacco taxes. I do think it is an area we should leave to the States, because I do think it is a revenue source most States like to use. I know my State of New Hampshire right now has another tobacco tax proposal on the table to pay for kindergarten. If this goes through, I suspect the projected income from that tax increase to pay for the kindergarten program will be severely restrained.

These two have been joined together in order for somebody to have a nice little phrase they can put on television at night, but it has no relationship to reality, substance or the manner in which this bill is structured and the way it will deliver services, because we have, in the bipartisan budget agreement—well, the President has in the bipartisan budget agreement, with the support of the leadership of the Congress, committed to caring for these kids and making sure they have insurance.

All this plan does is create a brand new huge bureaucracy which is going to, once again, federalize the system, write the States out of the process, eliminate the private sector effort in the area and give a Federal bureaucracy new lateral control over an element of the economy or an area of the economy where the States are making progress and where with the underlying budget proposal problem will be generally solved.

So it is about as misdirected a proposal as I have seen in recent times, probably not since the Clinton health care plan have I seen a more misdirected proposal, and I believe that was appropriately rejected and I hope this proposal will be appropriately rejected.

I yield back my time.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. Mr. President, I yield the Senator from Illinois 5 minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for up to 5 minutes.

Mr. DURBIN. Mr. President, I have been listening to this debate, and it reminds me of a lesson I learned in politics many years ago. The teacher was a fellow who was my boss at the time in Illinois in the Illinois State Senate by the name of Cecil Partee. He was president of the senate. He was an African-American Senator from the city of Chicago. He used to say, when it comes to political decisions, you will always hear a good reason for a decision, but you may not hear the real reason.

We have heard a lot of good reasons from the other side as to why they might oppose the Hatch-Kennedy proposal, but very few of them are willing to articulate the real reason that they oppose it. Some have said it is a mandate, a Federal mandate. You hear the word over and over and over again. I went through the legislation again, and I have to tell you, they should read it more closely. This is voluntary. Each State will decide whether to participate and under what terms they will participate. There is no Federal mandate, there is an opportunity here for a State to address a problem, a problem which I think both Democrats and Republicans would agree is a serious national health problem: 10.5 million uninsured children in America. These are kids who do not get the appropriate medical care, the children of working families, families that, unfortunately, do not have health care benefits that many of us enjoy. These kids deserve the same level of protection, and it would be voluntary for each State to determine whether or not they want to participate in the program.

Then, of course, there is this argument that this is not part of the budget agreement. Senator KENNEDY made a point very well a few minutes ago that the actual budget agreement before us has a specific reference in every type of program. So if these so-called good reasons—the mandate and going outside the four corners of the budget agreement—are not the real reason, what is the real reason for the opposition to the Hatch-Kennedy amendment? I think the real reason is very obvious. This is the last gasp of the tobacco lobby to stop a 43-cent-a-pack tax on cigarettes. They know what is going to happen.

When you raise the price of cigarettes, as has been demonstrated in Canada and so many other countries, children are less inclined to start smoking. They cannot afford it. Look what this means in terms of the impact upon our public health. Increasing the Federal tax by 43 cents a pack is going to mean 16.6 million fewer smokers, 5.3 million fewer children dying prematurely and 835,000 children's lives saved.

It is going to mean a lot fewer sales for tobacco companies, too. That is what this is about. They know that if we put this Federal tax in place, kids will stop smoking, they are less likely to be addicted to the product, and, down the line, they will not be the steady customers the tobacco industry needs to stay in business.

It is no accident that over 80 percent of smokers today started smoking before the age of 18, over half before the age of 16. When they are immature and make a rash decision to start using chewing tobacco or spit tobacco or cigarettes, they become addicted to nicotine, an addiction which will claim one out of three of them in terms of lives lost.

So that is what this debate is about. It is about a tax which an industry is fighting. They will not come out and say it on the floor because, quite honestly, it is not a popular thing to say. Overwhelmingly, the public supports an increase in the cigarette tax. I will tell you that 76 percent of the women, 69 percent of Independent voters, 67 percent of Republican voters, 79 percent of Democrat voters understand that this tax is a reasonable, revenue-raising measure to pay for an important national priority.

I think it is time to blow through this smokescreen from the tobacco lobby. As they say in the ads here: Take your pick, Senator. Who are you going to stand with, Joe Camel or a little boy named Joey who is uninsured? This is an easy choice for me. It should be for every Member. I think the Senate owes Senators HATCH and KENNEDY, because of their leadership, a clear vote on this issue. I think with that clear vote, we will say definitively that the real reason for the opposition to this amendment is not a good reason, that we in fact are going to give to each State the opportunity to participate in a program to insure their children. We will pay for it with a tax on tobacco products.

Frankly, let me add this, too. For those who say, why do you keep picking on tobacco? Why do you zero in on cigarettes so much? Take a look at this chart.

In 1993, cigarettes killed more Americans than AIDS, alcohol, car accidents, fires, cocaine, heroin, murders, and suicides combined. This is not just another issue. This is the No. 1 public health issue in America. With this bill we not only insure the children who need the insurance, we attack a problem which is claiming lives every single day.

Will the Senate have the courage to rally behind this Hatch-Kennedy bill? I certainly hope so. And for good reason we can stand up and say to the people of America, we are protecting your children, not just with insurance, but also with a tobacco tax which discourages children from taking up tobacco habits.

I yield back the remainder of my time.

Mr. FORD. Mr. President, will the Senator from New Mexico yield me 3 minutes?

Mr. DOMENICI. I yield 5 minutes off the bill.

Mr. FORD. Mr. President, it is interesting to listen to those who are now so interested in tobacco and kids. They say, ''Will you support Joe Camel or Joey?'' For months and months and months we have had a bill here that would embrace all of FDA regulations, that would do everything to prevent kids from smoking. Nobody wants to get on it. Nobody wants to help. We get rid of Joe Camel. We get rid of the Marlboro Man.

All you want is an issue. You do not want to solve the problem. So, yes, we can get emotional about kids. I have voted for 22 long years for kids. I am a grandfather with five grandchildren, and I am not going to do anything to harm them. They do not smoke. I do. That is my business. I am an adult. They are underage.

So why can't adults make a decision and let us go ahead and try to accomplish those things that will stop youth from smoking? Do you think a 43-cent-a-pack increase is going to stop kids from smoking? They will just find cheap tobacco and bring it in here and reduce the price of cigarettes. You want to do away with the program? Let them grow tobacco from fence row to fence row. Tobacco gets so cheap you cannot raise it, and cigarettes go to a quarter a pack. They are using kids here and not trying to solve a problem.

That is what irritates me. I am from a tobacco-growing State. It is $3 billion every year to my farmers. And 69 percent of those farmers have other jobs. It is a husband, wife, and family income. But you do not want to do that. You want to try to eliminate all that. You do not want to try to stop kids from smoking. You want to stomp up here—''Every day 1,000 more will die.''

Those are your words.

Mr. DURBIN. That is right.

Mr. FORD. Where in the world have you been to try to stop it? Nowhere. You just want to increase the tax on a pack of cigarettes, on a pack of cigarettes to stop kids from smoking. That is it. That is what you are saying. But there is a bill here to get rid of it. No one wants to join in that effort.

So it is kind of tough for me, coming from a tobacco State, trying to do what everybody here is talking about, except let the adults have a choice. I think that is what it ought to be. But, no, we want to add the tax on. We want to reduce by 35 percent—I heard the Senator from Massachusetts say it is only one-third of 1 percent of the budget. It reduces 35 percent of the tax cut. That is a pretty healthy hunk.

One State gets $29 million under this bill of the so-called Kennedy-Hatch. And it is $1.4 billion additional taxes to that State. So they do not come out ahead. How do they come out ahead? They have to match if they voluntarily accept it. Under this bill, they have to match. And they are mandated—mandated—on what they do once they accept it.

I do not understand. People talk about trying to save kids. You have an opportunity to do it. But, no, they want the issue. They want the issue. Bigger Government, less tax cuts, but they do not want to get at the real root of the thing and try to begin to work.

For months now—month after month after month—you refuse to join with some of us, even from tobacco States, that want to stop kids from smoking. All you want to do is make an issue out of it and say, I want to choose between Joe Camel and Joey. That is not true, because I have given every Senator here an opportunity to put Mr. Joe Camel where he belongs, and the Marlboro Man.

I have made my choice. I want the adults to have a choice and kids not to smoke. But all you want to do is have another issue and pound and pound and pound here to try to unravel a balanced budget amendment on the backs of the children on the basis you want to make a choice between Joe Camel and Joey. I have made my choice. I am for Joey. I have been for him for 22 years. But you act like I cannot join in trying to help reduce the ability of children to smoke. It is there.

So I just want everyone to know that if you want—want—to help Joey, help me get rid of Joe Camel. This does not get rid of Joe Camel. This does not get rid of the Marlboro Man. It just increases the cost of smoking to the lower income, just increases the cost to the lower income and unravels a balanced budget. One-third of 1 percent—you reduce 35 percent of the tax cuts in this bill.

I hope my 5 minutes are up. I am beginning to sweat.

The PRESIDING OFFICER (Ms. COLLINS). The Senator's time has expired.

Mr. DOMENICI. I yield up to 10 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. I thank you, Madam President.

I am not for Joe Camel, but I am for this budget agreement. I think that the question before the Senate today is, are we willing to run the risk of unraveling an agreement that has been entered into by Republican Members working in good faith with Democratic Members working in good faith with this administration to try to do something that we have not been able to do for many years?

We shut the Government down in the last Congress because we could not

agree on a budget. You talk about affecting children. When you shut down all the services of the Government, you affect young people, you affect children, you affect senior citizens, and you affect every aspect of our society. We did that in the last Congress because we could not come together and agree on a budget that was balanced in terms not only of spending but of how we spend the money that we are allocated to spend.

We have a historical agreement in front of us that breaks that pattern of not being able to work together, by coming together and saying, yes, there are Democratic priorities and, yes, there are Republican priorities, and both sides have to give.

It is really interesting that the people who have said that they cannot support this agreement—I respect their positions; they are good citizens, they are good Congress men and women, they are good Members of the Senate. But if you look at where the opposition is coming from, it is not from the center, it is not from the mainstream, it is from more liberal Members and more conservative Members. Again, I respect their positions. But what we have been able to put together is a budget agreement that can work.

There will be all kinds of efforts to try to change that agreement. I am concerned those efforts will do damage to the overall agreement. Generally, when things sound so simple, they generally do not work, and this sounds so simple: Let's insure more children, and do it by raising the tax on a product that many people do not like. If it sounds so simple it is too good to be true, generally it is.

I think what we are neglecting to focus in on is what this agreement already has in it. This fragile agreement already has about $16.8 billion in it right now without this amendment to insure more children who are currently uninsured. That is a major achievement.

Should we insure every child? Of course. But we cannot do it all at once. This agreement insures 5 million more currently uninsured children in this country. $16.8 billion is already in this budget package for that purpose. I know that you know certainly the folks who support increasing it right now—I mean, their intentions are good intentions. I agree with their intentions. The question is not should we do it? The question is how we do it, how we do it in the context of the other priorities we have as a nation and as a society.

Just this week, I think yesterday, in the other body, our friends on the other side of the Capitol, some said, ''Well, we ought to spend more money for highways.'' There is no question about that. We need more transportation, better transportation, we need mass transportation, we need highways, we need to fix the bridges that are crumbling down that when they fall they kill people, highways that kill people every year, 40,000 deaths on highways, much of it as a result of inadequate highway systems in this country.

Should we improve highways? Of course. Should we spend more money on highways? Yes. The question is how we go about getting there. This budget provides a blueprint, a map, a way to get from here to there that has been agreed to by Republican leaders, by Democratic leaders, and by the administration.

I just say that we have a plan of action. I suggest that we support that plan of action, and, in doing so, we are going to have to be called upon to say no to some ideas and concepts that I have no disagreement with. Of course we want to do this. Of course I want to move in that direction.

Again, the question today is not whether we should do it, but how we go about doing it. I suggest that the fragile package that is before us is the proper approach to solving the problem of uninsured children in this country. Five million more insured under this budget package is a major, major achievement. We should be proud of it.

Should we discontinue our efforts? Of course not. We should continue to work and to expand. There will be ways offered in the respective committees in order to achieve those goals. But I suggest that this is not the right approach at this time.

I think that one of the concerns I have is that if the whole entire budget agreement begins to unravel and fall apart we run the risk of doing a great deal more damage, not just to one segment of our population, but to the entire country. We did that in the last Congress. It was not a proud moment for this body nor the other body.

I think we have come a long way since then. Let us not go back to those days. I suggest that we should stick with the budget package. That is the right thing to do.

Mr. DOMENICI. Madam President, I thank Senator BREAUX for his remarks. I think he has offered kind of a calming set of remarks for us. Somebody observing, whom I have great trust in, sent me a little note to say thank Senator BREAUX for being so calm in his response.

PRIVILEGE OF THE FLOOR

Mr. FORD. Madam President, I ask unanimous consent that Pat Sellers, a congressional fellow assigned to Senator DASCHLE, be granted floor privileges for the duration of the debate on Senate Concurrent Resolution 27.

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

Mr. DOMENICI. Madam President, how much time do I have remaining on the substitute?

The PRESIDING OFFICER. The Senator has 17 minutes.

Mr. DOMENICI. I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Will the distinguished Senator from New Mexico yield?

Mr. DOMENICI. I yield 5 minutes off the bill to the distinguished Senator.

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

Mr. HATCH. Thank you, Madam President. I thank my friend from New Mexico.

Madam President, I listened to the earlier remarks of the Senator from New Hampshire, and I believe that my colleague has either misread or mischaracterized many aspects of the CHILD bill.

Let me set the record straight.

First, despite what the Senator from New Hampshire and other Senators may have alleged here, nothing in this bill mandates any State to participate.

Let's go through some of the other erroneous accusations that have been made by those who oppose the bill.

First, they said it created an entitlement program. This totally ignores the fact that the bill states explicitly ''Nothing in this title shall be construed as providing an individual with an entitlement under this title.''

Moreover, the States themselves establish eligibility criteria for this voluntary block grant program. The bill explicitly provides that participating States need not provide subsidies to otherwise subsidy-eligible children, even according to their own criteria, if funds are not adequate. Funding for the program is automatically reduced if revenues are insufficient to cover costs including the cost of deficit reduction.

Some have said this bill creates new mandates on States. Participation in this program is purely voluntary for States. The program maximizes State flexibility and merely establishes reasonable requirements for States choosing to participate to assure that Federal funds meet program objectives, in the same way as such other health block grant programs as the substance abuse block grant, the maternal and child health block grant, and the preventive services health block grant operated.

There is nothing new about this. This is the way you write a grant program.

Then, opponents of the bill said it mandates the Medicaid benefits package. The facts are that the States choosing to participate in the program are expected to provide the benefits for children that the State already provides under the State Medicaid program. We advanced this proposal recognizing the importance of potential sensitivity of this issue and have indicated our willingness to modify this section if better ideas emerge. And we will certainly do that.

Medicaid benefits include services that are particularly critical for children such as broad coverage for preventive benefits. Children meeting the State eligibility requirements in families that receive insurance through employer-based plans are eligible for subsidies to cover the employee coinsurance and copayment attributable to

the children and such employer-based plans need not comply with the Medicaid package of benefits. The limits on cost sharing under Medicaid are not mandated.

Another claim that has been made here today, on more than one occasion, is that the CHILD bill eliminates any future Medicaid waivers.

The fact is that, first, if a State chooses not to participate in the CHILD Program, the law will have absolutely no effect on its ability to receive a Medicaid waiver. In other words, the provision will only affect participating States.

If a State chooses to participate in the CHILD Program, it must not cut back on the existing Medicaid eligibility requirements for children. We did this to assure that States use program funds to cover additional children, rather than replace existing State funding responsibilities under Medicaid.

This has nothing to do with Medicaid managed care and expanded Medicaid coverage, the two major subjects of Medicaid waivers.

Another claim that has been made is that the bill mandates abortion funding for teens because the program requires benefits the equivalent of those under Medicaid.

As a Senator who is proud of his pro-life voting record, I would never do anything to advance the cause of those who wish to expand abortion coverage. I do not believe that my bill would cover abortions. As an appropriated program, the CHILD bill would be subject to annual appropriations and would fall under the Hyde amendment prohibitions relating to abortion services.

I know that some of my colleagues are disappointed in having to consider this amendment today. Some believe it would break the budget deal. Others are fearful of a tax increase. My purpose is simple: I am exercising my rights as a Senator to amend this budget and increase funding for children.

Why can't we just get a vote on this one way or the other?

Let me just say that I worked with the chairman of the Budget Committee for many years when I was on the Budget Committee. I know that he worked very hard in achieving this budget agreement, and I commend him for it. In fact, I admire him for it. I was not part of that negotiating team. But I am still a U.S. Senator who should be allowed to have a vote on his amendment.

As I understand the situation, we are now in the process of allowing Senators who were not part of the Budget Committee or part of the budget negotiating team to review what the leadership of the Congress and the administration have agreed upon. Our job today is to review this deal, use our judgment and decide whether we support this agreement.

What it comes down to is that the sponsors of this amendment believe it improves the budget package. We get $10 billion more in deficit reduction under our amendment. And we help about 5 million more kids who aren't helped.

For the life of me, I cannot understand what is the matter with that. What is so difficult about that? Why can't we help these kids?

I agree that the $16 billion in the bill is a good provision. I feel good about that.

But much of that money—as much as $14 billion—will be in effect taken from other existing programs for seniors and kids that are important—such as the disproportionate share hospital program.

So what we are doing here is taking moneys that have been used to help the poor and other people and put it another category to help the poor.

Well, I am happy to have the $16 billion in additional funding for kids, and the recognition that there is a problem here. But that still will only solve the problems probably for the 3 million kids who qualify for Medicaid and who the CHIPS bill is designed to help.

But I keep asking myself, ''What about the 7 million kids who weren't covered?'' Perhaps there will be enough funding to cover some of them. But there are at least 5 million, probably 6 million—and maybe as high as 7 million—who are not taken care of.

That is all we are trying to do here.

And we are recommending a block grant to deal with the problem, a block grant just like the many other health and social services block grants that have worked very well through the years.

I understand that one of the key areas of concern relates to the benefit package. Having been through the victorious battle over the flawed Clinton health care proposal in 1993–94, I know full well all the baggage that a Washington-dictated benefit package carries.

When I introduced the CHILD bill, I stated my willingness to work with the Governors and others to see whether an alternative to the Medicaid benefit plan would be acceptable to all parties. I remain willing to do so. I think Senator KENNEDY as well has said that he is aware that this is a sensitive issue which needs to be addressed.

Perhaps an explanation of why I agreed to the Medicaid package will be helpful to everyone here.

First, there was the practical concern of moving the legislative process forward that I felt argued against an endless series of ''reinventing-the-wheel'' type meetings to come up with a benefits package. I have been through that before. As you can appreciate, this would have touched off a time-consuming siege by the various medical provider specialty groups arguing that their specialty merited inclusion.

Second, on the merits, while I remain open to be persuaded otherwise, I am unaware of a children's health insurance model clearly superior to the current Medicaid standard with its children's early and periodic screening, diagnosis, and treatment—EPSDT—component. As you know, the general standard of EPSDT is that medically necessary services be provided. On its face, it is difficult to fault this principle.

While I understand the view that EPSDT is too generous compared with other health insurance plans as implemented by the States and interpreted by the courts, I think it incumbent upon those who make this criticism to specify precisely what services should not be included in the benefits package.

I am open to that. Such a dialog, if grounded in specifics, could only have a salutary effect on the refinement of the CHILD bill and perhaps for the Medicaid Program as well.

I expect that the Governors will have something to say about this topic after they develop their principles for child health insurance which we expect to see at the end of the month. I plan to hear what they have to say and continue to work with them.

We have to keep in mind that our amendment addresses the problem of children from poor families where parents work but just do not earn enough money to provide for health insurance. We ought to be ashamed not to solve this problem, when we solve so many other problems that are a lot less important than this one.

I don't see why we should have this big donnybrook or why we should be fighting so vigorously over this. We ought to just do it.

And we can do it—fully funded—by asking the one community that many experts acknowledge has caused $50 billion to $100 billion in unnecessary costs annually to help pay for the problem.

With that, I will be happy to yield the floor.

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

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. LAUTENBERG. I yield 5 minutes to the Senator from Massachusetts off of the resolution.

Mr. KENNEDY. Madam President, we have said since early today that we are prepared to move ahead with a vote, if we are unable to get the assurances that we would go ahead with the vote on the underlying amendment, the amendment of the Senator from New Mexico, which we are supporting.

I would just say to my friends that have spoken recently that we are in strong support of that amendment because that will provide the $16 billion to take care of some of the neediest children. But there is also the $14 million deficit that is going to be basically traded off against that. That represents the $14 billion on Medicaid. And half of all the Medicaid recipients are children. So it will be diminished in a very substantial degree.

We heard again somewhat that this is spoiling the budget agreement. As I reiterated, this is one-fifth of 1 percent of the total budget over the period of the next 5 years. It is difficult for me to believe that one-fifth of 1 percent affecting one-fifth of 1 percent of our economy is going to be a budget buster, particularly when it is paid for. As we indicated, it is paid for. And, as I indicated in the former part of the debate, many of those who have spoken in opposition complain about it being paid for because it is going to increase the cigarette tax. But I want to say that those who wondered about whether this was really relevant in the budget agreement, as I have mentioned, under the children's health proposal they talk about that how that $16 billion for the 5 years could be spent. They said it could be spent in one of the following ways, or it mentioned other possibilities. It said one of the ways is a program cap of mandatory grants to States. That is what our program is. It caps grants to States to finance insurance coverage for uninsured children.

So, Madam President, we believe that we should be entitled to a vote.

Again, I am really amazed that it has taken this long a time to get to a vote with all of the kinds of complex issues that we have to debate and talk about here on the budget resolution. This is a very simple issue. Are we going to put the interests of children of working families, those that are on the bottom, second, third, fourth rung of the economic ladder—are we going to side with them on a selfsustaining financed program of health insurance through the States based upon what the States are doing through the private sector with the discretion of the State making those judgments or are we going to side with the tobacco interests?

That is the issue. That is the question. It is not very difficult. We hope for those reasons—plus I thought the excellent statement that was made by the minority leader in terms of how he, too, believes that this is entirely appropriate—that we could move ahead and get some action.

I thank the Chair. I withhold the balance of the time.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Who yields time?

Mr. LAUTENBERG. Madam President, I yield 5 minutes off the resolution to the distinguished Senator from California.

Mrs. FEINSTEIN. I thank the distinguished floor leader. I very much appreciate the 5 minutes.

Madam President, I have watched this debate now for the last couple of hours from my office. I think it is an important debate. In a sense it is a bellwether debate.

I think the case which the proponents for the Hatch-Kennedy legislation have made is very clear and a strong case. Probably no State would be more helped by the Hatch-Kennedy legislation than my own State, the State of California.

I had the privilege of working with the Senator from Louisiana as our Democratic leader, and the Senator from Rhode Island, Senator CHAFEE, as a Republican leader on the centrist coalition. Over a period of about a year and a half in that work I have come to the conclusion that the only way to balance the budget is in a bipartisan way; that if it is a Democratic budget, Republicans vote against it; and, if it is a Republican budget, Democrats vote against it. Therefore, it has always seemed to me that the only way you do this is to sit down and work the numbers out together and come up with a plan.

What do you know, Madam President, that has happened. And it has happened because of the distinguished chairman and ranking member of the Budget Committee. It has happened because of the President. It has happened because of the majority and minority leaders of both sides of this great House giving their imprimatur to the process and participating. After 4 or 5 months of discussions there is an agreement.

It is not everything that everybody wants, but if you believe, as I do, that the only way to balance this budget is to do this, then this becomes a very significant debate. I would like to vote for Hatch-Kennedy. It would help my State. We have—let me give you the exact figure—1.7 million uninsured children in California. This is a big deal. I would like to vote for it.

If this bill is taken down, though, it is a major commitment and statement that this body cannot work together, that both sides of this body cannot solve what is a critical problem facing this Nation. Every week, I have a meeting of constituents, about 100, 125 people, who just happen to come by the office, and I show them a small pie of outlays in the year 2003, that if we do not do something, what happens. The result of the small pie is that you have almost 75 percent of the outlays of the Federal Government consumed by net interest on the debt and entitlements. And by then, you could eliminate all discretionary spending and you cannot solve the problem.

Well, we have not gone the whole way, but this bill before this House goes a major way in solving the problem.

I stood with the President in Baltimore. I said I would support this, as did a number of people on our side. The Senator from Louisiana was there. We stood and we remarked how close the numbers in this budget bill are to the numbers of the centrist coalition. So we felt in some way that our year and a half, or whatever it has been, I say to the Senator from Louisiana, has been worthwhile.

I am very concerned. I am very concerned that this bill will be taken down if this amendment is successful. I would like to vote for this amendment. So I am looking for a way, and I hope that both the minority leader and the majority leader might in some way hear this, that there might be a time when we could have a separate vote agreed to on Hatch-Kennedy and move ahead with this budget reconciliation bill at this time.

Mr. BREAUX. Will the Senator yield?

Mrs. FEINSTEIN. I would be happy to yield to the Senator from Louisiana.

Mr. BREAUX. I congratulate the Senator for making this point, that every budget we have had in the past and been signed into law is necessarily a compromise. There are a lot of things that a lot of people would like in this legislation that are not there. I know the Senator from California has talked about additional children being covered. I support that effort. I mentioned the highway bill. We need money for transportation. We have talked about needing more money for schools, to try to fix schools that are falling down around the country. The point is, and I think the Senator from California is making it, that we have to deal with an agreement that has the chance of passing, if the $16 billion for more child care that is in this budget now ever has a chance to become law.

I would say, as one member of the Senate Finance Committee, we are going to look at exactly what the essence of this amendment does in the Senate Finance Committee. There is no problem with us considering this approach and voting on it and adding it to later legislation coming down the pike. So this does not mean this is over. We can continue to look at this suggested means in future legislation.

I thank the Senator.

Mrs. FEINSTEIN. I thank the Senator from Louisiana very much. It has been a very special privilege for me to work with the Senator on the centrist coalition.

I am not in the leadership of this body, but I would be hopeful that the leadership would hear this. I think this budget agreement—on our side, we have said every time we have had the debate on the balanced budget amendment, we do not need an amendment to the Constitution. Let us just sit down and do it. Well, we make a mockery of our own statements if we do not sit down and do it right now. And we have that opportunity to do it in this agreed-upon compromise.

So I would be hopeful that it might be possible to put together some guarantee both for the Senator from Utah and the Senator from Massachusetts, who have worked so hard, both of them. I have never seen the chairman of the Judiciary Committee as passionate as he has been in the Chamber in the last 2 hours. He obviously believes. The Senator from Massachusetts has a long history—the Kassebaum-Kennedy bill, other bills, his chairmanship and his ranking status on the Labor Committee. I think we know his commitment and we know he will be there for

working families and for children at any time. I hope there can be some appreciation in this body for the need to have an agreement to honor the agreement that was made and to once and for all say to the American public we have come together as two political parties. We have balanced this budget by the end of 5 years, and we can all be proud of working together.

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

Mrs. FEINSTEIN. So I say to the leadership, please do something. Let us get another time to consider the Hatch-Kennedy bill so that we can move on and be very proud of this body.

I thank the Chair for its indulgence.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I say to Senator FEINSTEIN, just about the time this Senator feels like he is not being heard, the hard work that you put in on the budget was not worth it, something very pleasant happens, and I thank the Senator very much.

Mr. NICKLES addressed the Chair.

Mr. DOMENICI. Would the Senator like 10 minutes off the bill?

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 10 minutes.

Mr. NICKLES. Madam President, I would like to make a couple comments about where we are, and I also wish to thank our colleague from California, as well as Louisiana, in saying there is an agreement; we ought to abide by it.

I was looking at the budget agreement. There is one enclosure which says children's health, and it says 5-year expenditure, $16 billion. It is enclosed. It says we want to provide health care, $16 billion, 5 years, to provide health care for 5 million children by the year 2002. That is in the agreement. It is included.

So for somebody to say that it was included in the agreement to add another $20 billion, to make this $16 billion $36 billion, is absolutely not the case. It really loses credibility, and it makes a lot of us wonder whether we can trust the White House, whether we can trust our colleagues in trying to implement a 5-year deal if we could not trust them basically for a day, not to mention we are trying to make obligations for the next 5 years.

I am a little shaken. I will absolutely say I have wanted to support this deal, hope to support this deal, but when I hear some of the people who have negotiated it say it is within the context of the budget agreement to have $36 billion for child care, a new additional child care entitlement, when the provision clearly added to the budget resolution was $16 billion, not $36 billion, there is a difference. There is a big difference.

Now, I want to make a few comments concerning the underlying bill that Senator HATCH and Senator KENNEDY are promoting and maybe respond to some of the statements that were made and maybe challenging some provisions of this bill.

I do not support the bill. I think the underlying bill that individuals are trying to promote—that is not what we are voting on. We do not have bill language added to this budget resolution.

A budget resolution, for the information of colleagues and the public, is not a law. It is a guideline. It says spend so much money, tax so much money. This amendment spends $20 billion more and it raises taxes $30 billion more, both of which are inconsistent with the agreement, both of which, frankly, are outside the scope of the agreement.

Now, should we pass it? I would say no. Should we pass the so-called Hatch-Kennedy bill? I would say no. I would tell my colleagues from Utah and Massachusetts, I think they did very well in this budget negotiation. They got 16 out of 20—that is 80 percent—for a new program, a new entitlement program when we are trying to balance the budget. I think they should be high-fiving each other and saying, hey, we won; we got 80 percent of what we want. We stuffed those people who really wanted to hold the lid on new programs. We beat them. But instead of saying, hey, we got 80 percent, we are happy, they came back and said, we are going to double our offer. We are not satisfied with 16. The original bill that they introduced was 20, but now they want 36. I just find that to be grossly fiscally irresponsible.

Now I want to talk a little bit about the substance of the underlying bill. I heard my colleague say that, well, it is not an entitlement. And I have stated repeatedly that it is an entitlement. Let us look at the bill. If you look at page 19, it says ''budgetary treatment.'' ''Authority in advance represents an obligation of the Federal Government to provide payments to the States.''

An obligation. It does not sound like it is discretionary to me. An obligation for the Federal Government to provide payments to the States.

Now, in the first place, maybe I should ask, the tobacco taxes envisioned, are those discretionary? I do not think so. All the States would have to pay into the program; all the States would be paying additional taxes. That is not discretionary. I don't think anybody has made that allegation.

Page 19 says there is an obligation of the Federal Government to pay to the States. I mentioned earlier that the Federal mix of this is much more generous than under Medicaid, that the Federal Government would be paying, in many cases, 80 to 90 percent of the cost of this program, not 50–50, not splitting the cost with the States. The Federal Government paying 4 to 1, 5 to 1 what the States are paying.

Now, sure, a State is going to opt out of that. If Uncle Sam is going to be paying 90 percent of the cost of the program, more generous than Medicaid, the States are going to opt out. First, the States have to pay the taxes and then you create a new entitlement program. The Federal Government is going to pay up to 90 percent of the cost of the program, and you say, oh, the States do not have to participate. They have to pay the taxes and then Uncle Sam will pay 90 percent of the costs, and the States are going to say, no, I don't think so. And then you look at the underlying provisions of the bill; what do the States have to do. If this is such an optional program, you need to look at page 6, ''Requirements for Qualifying Children's Direct Benefit Option.''

Page 7. ''The States shall insure.'' Paragraph 2: States shall insure, each participant shall insure, shall insure, shall provide, States may not, and on and on. States may not allow imposition of cost sharing; States may not enter into a contract, on and on. There are something like 30 ''States shall'' or ''States may not'' in this provision. This is not optional. All kinds of mandates, telling the States what to do with this program, including saying, States, you do not get another Medicaid waiver. Most States have Medicaid waivers pending. This says, ''No more. Need not apply. Cannot do.''

They don't want to touch on the issue of abortion, because I heard my colleague say this bill does not mandate abortion. I just disagree. I think people are entitled to their own opinion, but I don't think they are entitled to their own facts. If my colleagues would look at page 5 in the bill: For purposes of this title, qualifying children policy is a policy for an eligible child that provides coverage for medical care for such child that is the equivalent of medical assistance available for State child assistance available under title XIX of the Social Security Act.

If this is available for a State plan, if abortion coverage is available in Medicaid under a State plan, then it must be provided under this plan.

I know I heard my colleagues say, wait a minute, this is covered by Hyde language, and we don't pay for abortion under Hyde language. That is not what this says. This says, if abortion is a benefit under a State plan—and you have a lot of States, 14 States, including some of the biggest States, New York and California, for example, they have State-paid-for Medicaid coverage of abortion; 14 States have it. The Federal Government does not pay for it. But remember, Medicaid is a Federal-State program and some States have mandated State program benefits. In this case, the State pays for abortion coverage.

This bill says that if the State provides this benefit, they have to provide the same benefits they provide under the State Medicaid plan. It does not say Federal Medicaid plan. It doesn't say only Federal Medicaid benefits. It says State Medicaid benefits. So you have 14 States that now have State-paid-for abortion coverage that would have to have it under this plan. It is in

the bill. It is on page 5, line 19 through 25.

So I just make that point. I want to be very factual. This bill leaves a lot to be desired. We should not set up a new entitlement and have the Federal Government paying 80 or 90 percent of the costs of Medicaid coverage for kids when we do not pay that much for the lowest income. This is a higher level than for the lowest income level. We are going to have a greater subsidy for this group than we are for the lowest group? I don't think so.

What we have is we have the situation now where we find ourselves, where we have the $16 billion entitlement—I think it should be discretionary under the underlying bill—$16 billion to provide health care for kids that, for whatever reason, do not have insurance.

I might review that scope because I have heard people say, wait a minute, we are going to provide health care for 10 million kids. Let us look at that scope. Madam President, 3.3 million of those kids already are eligible. They have health care. They are eligible for Medicaid. They qualify. About a third of them have incomes above 200 percent of poverty. If they are a family of 4, if they have an income of $32,000 or more, we should not be buying them insurance. That is not the Federal Government's role. So you have about 3.5 million between 100 percent of poverty and 200 percent of poverty. You have 30-some-odd States that already have coverage for kids in excess of the Medicaid eligibility standard, Medicaid eligibility standards going up to 133 percent of poverty. Thirty-some-odd States, 39 States, have Medicaid coverage in excess of Federal mandates. We are going to preempt those in this case, and we are going to provide a very expensive Federal mandate on the States to provide that coverage for that 3.5 million, which, I might mention, half of those kids will have insurance within 4 months.

So, really, the chronically uninsured population is probably around 2 million. The underlying bill provides $16 billion. It starts out at a couple of billion and grows to 2.5 billion, 3.5 billion, almost 4 billion over that period of time. That is enough, maybe more than enough, to provide ample coverage for the chronically uninsured child.

What we do not need to do is say: Here is $16 billion—the original Hatch-Kennedy bill had $20 billion—so they have $16 billion. They have 80 percent of what they are looking for. Then they want to, maybe—I don't know what the purpose is—to say now we want $20 billion on top of our $16 billion, we want $36 billion, even though in the bill they originally introduced, they wanted $20 billion. Now the demand is for $36 billion—certainly a budget buster. Certainly a deal breaker.

If we have a deal that says new kid care entitlement is $16 billion, and we are going to have an amendment and just make it $36 billion; if we are going to have a deal that says net tax reduction is going to be 85, and then all of a sudden it turns into 55, then we don't have a deal. That means maybe we cannot trust people. If we cannot trust people, that does not speak very well for this institution.

I urge my colleagues, if and when we get to an up-or-down vote on the Hatch-Kennedy bill, I urge them to vote ''no''. First, because it is a deal breaker, and, second, I urge them to vote ''no'' because this is not good policy and we do not need to do it twice. We do not need to try to solve this problem on uninsured kids both in the Finance Committee and the Labor Committee and give equal amounts of money for both to solve this problem.

I ask unanimous consent for an additional minute.

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

Mr. NICKLES. So, Madam President, I——

Mr. HATCH. Reserving the right to object, I didn't hear the request.

Mr. NICKLES. I asked the Senator from New Mexico for an additional minute.

Mr. HATCH. Oh, sure.

Mr. DOMENICI. What's the dispute? I give you 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for an additional minute.

Mr. NICKLES. He said 5.

Mr. DOMENICI. I said 5.

The PRESIDING OFFICER. I am sorry, 5 minutes.

Mr. NICKLES. Madam President, to conclude, a couple of points. A deal is a deal. If we are going to break the deal, if we are going to be amending what the size of the tax cut is, if people want to do that, then I am going to have an amendment. This amendment cuts the size of the tax cut by $30 billion. I am going to have an amendment to increase the tax cut by $30 billion. If this amendment spends $20 billion more, I am going to have an amendment to spend less money someplace else.

In other words, this bill unravels the whole package and people will find out this is not the easiest package to craft. There is no question it unravels the package, if one would just look at the budget package we already have. So I urge my colleagues, if for no other reason, to vote ''no''.

Also, likewise, I urge them to vote no on the substance. Somebody said something about, wait a minute, because you are trying to defend tobacco—that is hogwash. If my colleagues want to have an amendment to raise tobacco prices, let them do it. But let's not be doubling the size of the new entitlement program before the new entitlement program even starts. Let's not more than double it in the name of fiscal austerity. It is ridiculous. When the tax package comes out, if people want to, on the reconciliation bill, if they want to have an increase in the tobacco tax, so be it. If we offset it with another tax reduction, maybe I will support it. But let's not do it in this package. This, in my opinion, would be a killer amendment and certainly should be defeated. I yield the floor.

Mr. CRAIG. Mr. President, I would like to clarify some issues raised today on the Senate floor by a colleague of mine. Specifically, these issues had to do with a paper entitled ''Unforeseen Effects of the Much Touted Tobacco Tax'' published on May 16, 1997 by the Senate Republican Policy Committee, of which I am chairman.

My colleague made several statements about the analysis but failed to address the substance of the paper's argument: That the $6.5 billion loss in state revenue over the next five years will hinder states' ability to provide services to their citizens. This loss of revenue will pressure states to accept a new program that includes many mandates and additional costs that will yet further strain their budgets. Finally, this substantial incursion to a state revenue source establishes a dangerous precedent for further such incursions by the federal government.

It is a principle of the Republican party that the federal government should not place an unfunded mandate on the states, regardless of the reason. If the end is so laudable, then the federal government should provide the means for delivering it. In the last Congress, a proposal to prevent unfunded mandates was given the Republican party's highest priority. Introduced as the first bill in the Senate, S.1, passed (86–10) with all Republicans supporting it, and sent to the President who signed it.

The program debated today violated that principle by not only leaving states with an unfunded liability, but reducing their revenues for their own priorities. In short, the program being debated not only would increase states' spending but decrease their revenues at the same time.

The paper put out by the Republican Policy Committee made that clear. The fact that my colleague chose to ignore it and the underlying problem of the program's approach, does not change the program's impact and should not diminish our concern that the states be treated fairly and honestly by the federal government.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. I ask unanimous consent all first-degree amendments in order to Senate Concurrent Resolution 27 must be offered by the close of business on Wednesday, May 21.

The PRESIDING OFFICER. Is there objection? Is there objection?

Mr. KERRY. Reserving the right to object.

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

Mr. LOTT. I further ask unanimous consent all amendments be subject to

second-degree amendment as provided under the Budget Act.

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

Mr. LOTT. I now ask for the vote to occur on Domenici amendment No. 307, and it be considered a first-degree, and, following that vote, the Senate proceed to vote on or in relation to amendment No. 297, with 4 minutes of debate to be equally divided, all without intervening action.

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

Mr. LOTT. Thank you, Madam President.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I ask for the yeas and nays on the Domenici amendment, which we just agreed is a first-degree amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KERRY. Madam President, could I inquire of the manager, is that immediate? Is there any intervening time, or is that immediate?

Mr. DOMENICI. This is immediate. There are 4 minutes after this Domenici amendment before the vote on Hatch-Kennedy, or in relation to, which probably means a table, but you understand that.

Mr. KERRY. I thank the Senator.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced, yeas 98, nays 2, as follows:

[Rollcall Vote No. 75 Leg.]

YEAS—98

Abraham	Faircloth	Lott
Akaka	Feingold	Lugar
Allard	Feinstein	Mack
Ashcroft	Ford	McCain
Baucus	Frist	McConnell
Bennett	Glenn	Mikulski
Biden	Gorton	Moseley-Braun
Bingaman	Graham	Moynihan
Bond	Gramm	Murkowski
Boxer	Grams	Murray
Breaux	Grassley	Nickles
Brownback	Gregg	Reed
Bryan	Harkin	Reid
Bumpers	Hatch	Robb
Burns	Helms	Roberts
Byrd	Hollings	Rockefeller
Campbell	Hutchinson	Roth
Chafee	Hutchison	Santorum
Cleland	Inhofe	Sarbanes
Coats	Inouye	Sessions
Cochran	Jeffords	Shelby
Collins	Johnson	Smith (NH)
Conrad	Kempthorne	Smith (OR)
Coverdell	Kennedy	Snowe
Craig	Kerrey	Specter
D'Amato	Kerry	Stevens
Daschle	Kohl	Thomas
DeWine	Kyl	Thurmond
Dodd	Landrieu	Torricelli
Domenici	Lautenberg	Warner
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden
Enzi	Lieberman	

NAYS—2

Hagel	Thompson

The amendment (No. 307), as modified, was agreed to.

AMENDMENT NO. 297

The PRESIDING OFFICER (Mr. FAIRCLOTH). There are 4 minutes of debate equally divided on the amendment.

Mr. DOMENICI. Mr. President, I move to table the Hatch-Kennedy amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. There are 4 minutes equally divided on the amendment.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. I will take a minute and then the distinguished Senator from Massachusetts will take the other.

I have to say, this was a constructive debate. I think we all learned a lot about children's health and more importantly about the political process.

You know, it is tough work trying to spend money for kids.

I have been accused of being a Democratic pawn here today.

So I find it amusing that several of our ''yes'' votes have been quietly converted to ''noes'' this afternoon by some of the biggest and best lobbyists there are. And I am not speaking of the tobacco industry.

There is no way of knowing, but I think we would have won this one if we had it at the scheduled time at 11:30. We will leave that discussion for a later date.

How much time does this Senator have?

The PRESIDING OFFICER. The Senator has 19 seconds.

Mr. HATCH. Let me just end it this way.

I think the President and the people in the White House have caved here, people who we had every reason to believe would be supportive of kids' health.

Let me say, the Washington Post framed the issue in its editorial page just yesterday. They said, ''This is a vote against the harmful effects of tobacco, in favor of children's health, in favor of State decision-making, and in favor of fiscal discipline. How many times do they get one like that? They ought to vote aye.''

I hope Senators will vote against the motion to table, and in favor of our amendment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Excuse me, I say to Senator KENNEDY.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I think we made a great deal of progress in this debate. We knew it would be an uphill battle because we knew the power of the tobacco industry. And we intend at the next available opportunity to offer this proposal again. And we shall offer it again and again until we prevail.

It is more important to protect children than to protect the tobacco industry. Every child deserves a healthy start. We who support this amendment are not afraid to debate it on its merits. We are willing to stand to be counted for our children. We are willing to stand for our children's health. And we are willing to stand in favor of the single most important means of reducing teenage smoking—the tobacco tax.

On both of those issues, this will be the most important vote of the year. We will stand with children. And I hope our colleagues will stand with us.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, most people in the United States think the best thing we can do for kids and for children is to balance the budget of the United States. If my motion to table does not prevail, the chance of getting a balanced budget for our children and grandchildren then is out the window because this amendment that they have offered is a total breach of an agreement between our President, Democrats, and Republicans. It is as simple as that.

Unless you vote to table it, you are voting to accept an amendment that kills the balanced budget, under the rubric of helping children.

We have covered uninsured children in this bill to the tune of $16 billion. And there are few among us that think that is an insufficient amount to cover the uninsured children in the United States. I hope you will support the motion so we can get on with getting this job done.

It has been an interesting debate. I thank Senator KENNEDY and Senator HATCH for the way they conducted themselves, although on occasion we all got a little bit too heated up, according to my wife who is watching this on television. She said, in particular, Senator KENNEDY and Senator DOMENICI, if we talk a little lower our faces would not get so red.

I yield the floor.

Mr. President, I yield 1 minute to the leader.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I will be brief because I know everybody knows what the issue here is now. We are ready to vote. I want to urge my colleagues to vote to table the Kennedy-Hatch amendment. This is a deal breaker.

I have had occasion now to again talk to the President. And his press representative has gone out and said, while he supports the concept of what is in this amendment—he recognizes it—it is a deal breaker, and this amendment should be defeated.

We have money in the agreement, $16 billion, for child care that the Finance

Committee is going to be able to take and work with and come up with a proper solution. That is the way we should go. We should not add this on this resolution because the net result would be this whole resolution and agreement would come unglued.

I urge my colleagues to vote to table this amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 55, nays 45, as follows:

[Rollcall Vote No. 76 Leg.]

YEAS—55

Abraham	Ford	McCain
Allard	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Robb
Breaux	Grassley	Roberts
Brownback	Gregg	Roth
Burns	Hagel	Santorum
Campbell	Helms	Sessions
Cleland	Hollings	Shelby
Coats	Hutchinson	Smith (NH)
Cochran	Hutchison	Snowe
Collins	Inhofe	Stevens
Coverdell	Kempthorne	Thomas
Craig	Kohl	Thompson
Domenici	Kyl	Thurmond
Enzi	Lieberman	Warner
Faircloth	Lott	
Feinstein	Mack	

NAYS—45

Akaka	Durbin	Levin
Baucus	Feingold	Lugar
Biden	Glenn	Mikulski
Bingaman	Graham	Moseley-Braun
Boxer	Harkin	Moynihan
Bryan	Hatch	Murray
Bumpers	Inouye	Reed
Byrd	Jeffords	Reid
Chafee	Johnson	Rockefeller
Conrad	Kennedy	Sarbanes
D'Amato	Kerrey	Smith (OR)
Daschle	Kerry	Specter
DeWine	Landrieu	Torricelli
Dodd	Lautenberg	Wellstone
Dorgan	Leahy	Wyden

The motion to lay on the table the amendment (No. 297) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. LIEBERMAN. Mr President, I would like to rise to explain my vote on the Hatch-Kennedy amendment. The budget resolution under consideration is a fragile compromise. Support from the President, Republicans and Democrats was achieved after months of negotiation.

One of the key provisions in this agreement of great importance to me is the additional $16 billion for health care coverage of children. This funding will be used to cover an additional 5 million children. Connecticut alone is estimated to have 85,000 uninsured children 18 years and younger. The new funding will go a long way to bring health care to those kids.

The Hatch-Kennedy amendment was a good faith effort to go farther and I agree—we should go farther. Over 10 million American children lack insurance and more each month go uncovered. For these children and their parents health is not just a blessing, it is an economic necessity.

The amendment sponsors also said much about tobacco today with which I agree. According to the CDC, smoking is the leading cause of preventable death in the United States. Smoking is up among teenagers and this rise ultimately will translate into many premature deaths from smoking-related diseases. I have no hesitancy to support an increase in tobacco taxes.

But the vote I cast today was not on children's health coverage. It was not on a tobacco tax. The vote I cast today was on whether to make substantial changes in critical elements of an arduously negotiated bipartisan budget agreement. On this issue, the issue of whether to risk the resolution, I disagreed with the sponsors of the amendment.

I felt that the amendment threatened to undo the careful balancing and months of negotiation represented by the budget compromise. In the end, the effort to increase spending, threatened the children's health care coverage that we had achieved through negotiations.

I hope that we will return to the issue of children's health coverage, but at this time the wiser course is to move forward in support of the resolution in front of the Senate. Compromise is never perfect, but perfection is rarely possible.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

Mr. GRAMM. Mr. President, I have had several people—I think under the previous order I was to be recognized.

The PRESIDING OFFICER. Under the previous order, the Senator from Texas is recognized to offer an amendment.

Mr. WARNER. Mr. President, will the Senator yield for a unanimous-consent request.

Mr. GRAMM. Yes.

Mr. WARNER. I thank the Senator.

Mr. GRAMM. If I may, I have several other people who have asked me to do the same thing so maybe I should begin by asking unanimous consent that I might recognize Senator HOLLINGS to offer an amendment, Senator INHOFE to offer an amendment, Senator KERRY from Massachusetts to offer an amendment, and then I had BOB KERREY who was going to do an amendment very briefly that has been accepted, and then let me go ahead and recognize my colleagues from South Dakota and from Virginia to offer amendments, and I would ask unanimous consent that I might do that without losing the floor and that then I might be able to offer an amendment that has been agreed to, and then bring up the amendment that will be debated.

Mr. LAUTENBERG. Will the Senator yield for a unanimous-consent request just to get someone in the Chamber included in the Senator's list.

I have a unanimous-consent request to get someone in the Chamber on the list.

Mr. GRAMM. I would be happy to include it.

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

Several Senators addressed the Chair.

AMENDMENTS NOS. 302, 303, 304, 305, AND 306

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Texas. I ask unanimous consent amendments 302, 303, 304, 305, and 306 be called up and set aside.

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

Mr. HOLLINGS. I thank the Senator.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS] proposes amendments numbered 302, 303, 304, 305, and 306.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 302

(Purpose: To express the sense of the Senate that the Highway Trust Fund should not be taken into account in computing the deficit in the budget of the United States)

At the appropriate place, insert the following:

SEC. . HIGHWAY TRUST FUND NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying this budget resolution assume that the receipts and disbursements of the Highway Trust Fund—

(1) should not be included in the totals of—

(A) the Budget of the United States government as submitted by the President under section 1105 of title 31, United States Code; or

(B) the Congressional Budget (including allocations of budget authority and outlays provided in the Congressional Budget);

(2) should not be—

(A) considered to be part of any category (as defined in section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(4))) of discretionary appropriations; or

(B) subject to the discretionary spending limits established under section 251(b) of the Act (2 U.S.C. 901(b));

(3) should not be subject to sequestration under section 251(a) of the Act (2 U.S.C. 901(a)); and

(4) should be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States government.

AMENDMENT NO. 303

(Purpose: To express the sense of the Senate that the the Airport and Airway Trust Fund should not be taken into account in computing the deficit in the budget of the United States)

At the appropriate place, insert the following:

SEC. . AIRPORT AND AIRWAY TRUST FUND NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying the budget resolution

that the receipts and disbursements of the Airport and Airway Trust Fund—

(1) should not be included in the total of—

(A) the Budget of the United States government as submitted by the President under section 1105 of title 31, United States Code; or

(B) the Congressional Budget (including allocations of budget authority and outlays provided in the Congressional Budget);

(2) should not be—

(A) considered to be part of any category (as defined in section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(4))) of discretionary appropriations; or

(B) subject to the discretionary spending limits established under section 251(b) of the Act (2 U.S.C. 901(b));

(3) should not be subject to sequestration under section 251(a) of the Act (2 U.S.C. 901(a)); and

(4) should be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States government.

AMENDMENT NO. 304

(Purpose: To express the sense of the Senate that the Military Retirement Trust Funds should not be taken into account in computing the deficit in the budget of the United States)

At the appropriate place, insert the following:

SEC. . MILITARY RETIREMENT TRUST FUNDS NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying this budget resolution assume that the receipts and disbursements of the retirement and disability trust funds for members of the Armed Forces of the United States—

(1) should not be included in the totals of—

(A) the Budget of the United States government as submitted by the President under section 1105 of title 31, United States Code; or

(B) the Congressional Budget (including allocations of budget authority and outlays provided in the Congressional Budget);

(2) should not be—

(A) considered to be part of any category (as defined in section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(4))) of discretionary appropriations; or

(B) subject to the discretionary spending limits established under section 251(b) of the Act (2 U.S.C. 901(b));

(3) should not be subject to sequestration under section 251(a) of the Act (2 U.S.C. 901(a)); and

(4) should be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States government.

AMENDMENT NO. 305

(Purpose: To express the sense of the Senate that the Civil Service Retirement Trust Fund should not be taken into account in computing the deficit in the budget of the United States)

At the appropriate place, insert the following:

SEC. . CIVIL SERVICE RETIREMENT TRUST FUNDS NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying this budget resolution assume that the receipts and disbursements of the retirement and disability trust funds for civilian employees of the United States—

(1) should not be included in the totals of—

(A) the Budget of the United States government as submitted by the President under section 1105 of title 31, United States Code; or

(B) the Congressional Budget (including allocations of budget authority and outlays provided in the Congressional Budget);

(2) should not be—

(A) considered to be part of any category (as defined in section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(4))) of discretionary appropriations; or

(B) subject to the discretionary spending limits established under section 251(b) of the Act (2 U.S.C. 901(b));

(3) should not be subject to sequestration under section 251(a) of the Act (2 U.S.C. 901(a)); and

(4) should be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States government.

AMENDMENT NO. 306

(Purpose: To express the sense of the Senate that the Federal Unemployment Compensation Trust Fund should not be taken into account in computing the deficit in the budget of the United States)

At the appropriate place, insert the following:

SEC. . UNEMPLOYMENT COMPENSATION TRUST FUND NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying this budget resolution assume that the receipts and disbursements of the Federal Unemployment Compensation Trust Fund—

(1) should not be included in the totals of—

(A) the Budget of the United States government as submitted by the President under section 1105 of title 31, United States Code; or

(B) the Congressional Budget (including allocations of budget authority and outlays provided in the Congressional Budget);

(2) should not be—

(A) considered to be part of any category (as defined in section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(4))) of discretionary appropriations; or

(B) subject to the discretionary spending limits established under section 251(b) of the Act (2 U.S.C. 901(b));

(3) should not be subject to sequestration under section 251(a) of the Act (2 U.S.C. 901(a)); and

(4) should be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States government.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 301

Mr. INHOFE. Mr. President, I make the same request, that amendment 301 be called up and set aside.

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. INHOFE] proposes an amendment numbered 301.

Mr. INHOFE. 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:

AMENDMENT NO. 301

(Purpose: To create a point of order against any budget resolution for fiscal years after 2001 that causes a unified budget deficit for the budget year or any of the 4 fiscal years following the budget year)

At the appropriate place, add the following:

SEC. . BALANCED UNIFIED BUDGET AFTER 2001.

(a) IN GENERAL.—Except as provided in subsection (b), it shall not be in order in the Senate to consider any budget resolution or conference report on a budget resolution for fiscal year 2002 and any fiscal year thereafter (or amendment or motion on such a resolution or conference report) that would cause a unified budget deficit for the budget year or any of the 4 fiscal years following the budget year.

(b) EXCEPTION.—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.

(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.

AMENDMENT NO. 309

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I send an amendment to the desk, and I ask that it be temporarily set aside per the unanimous consent request.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] for himself, Ms. MOSELEY-BRAUN, Mr. WELLSTONE, Ms. MIKULSKI, and Mrs. MURRAY, proposes an amendment numbered 309.

Mr. KERRY. 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:

AMENDMENT NO. 309

(Purpose: To empower local communities to provide essential interventions in the lives of our youngest children ages zero to six and their families so children begin school ready to learn)

At the appropriate place, insert the following:

SEC. . DEFICIT-NEUTRAL RESERVE FUND IN THE SENATE.

(a) IN GENERAL.—In the Senate, revenue and spending aggregates may be changed and allocations may be revised for legislation that provides funding for early childhood development programs for children ages zero to

six provided that the legislation which changes revenues or changes spending will not increase the deficit for—

(1) fiscal year 1998;

(2) the period of fiscal years 1998 through 2002; or

(3) the period of fiscal years 2002 through 2007.

(b) REVISED ALLOCATIONS.—

(1) ADJUSTMENTS FOR LEGISLATION.—Upon the consideration of legislation pursuant to subsection (a), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. These revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels and aggregates contained in this resolution.

(2) ADJUSTMENTS FOR AMENDMENTS.—If the chairman of the Committee on the Budget submits an adjustment under this section for legislation in furtherance of the purpose described in subsection (a) upon the offering of an amendment to that legislation that would necessitate such a submission, the chairman shall submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. These revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels and aggregates contained in this resolution.

(c) REPORTING REVISED ALLOCATIONS.—The appropriate committee shall report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this section.

Mr. KERRY. I ask the amendment be set aside per the unanimous consent request.

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

AMENDMENT NO. 310

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] for himself, Mr. DASCHLE, and Mr. HOLLINGS, proposes an amendment numbered 310.

Mr. DORGAN. 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:

AMENDMENT NO. 310

(Purpose: To express the sense of the Senate on Social Security and balancing the budget)

At the appropriate place in the resolution, insert the following:

SEC. . SENSE OF THE SENATE ON SOCIAL SECURITY AND BALANCING THE BUDGET.

(a) FINDINGS.—The Senate finds that—

(1) This budget resolution is projected to balance the unified budget of the United States in fiscal year 2002;

(2) Section 13301 of the Budget Enforcement Act of 1990 requires that the deficit be computed without counting the annual surpluses of the Social Security trust funds; and

(3) If the deficit were calculated according to the requirements of Section 13301, this budget resolution would be projected to result in a deficit of $108.7 billion in fiscal year 2002.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying this budget resolution assume that after balancing the unified federal budget, the Congress should continue efforts to reduce the on-budget deficit, so that the federal budget will be balanced according to the requirements of Section 13301, without counting Social Security surpluses.

Mr. DORGAN. I ask unanimous consent that the amendment be temporarily set aside.

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

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia.

AMENDMENT NO. 311

Mr. WARNER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER] for himself and Mr. BAUCUS, proposes an amendment numbered 311.

Mr. WARNER. 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:

AMENDMENT NO. 311

(Purpose: To ensure that transportation revenues are used solely for transportation)

At the end of the resolution, add the following new title:

TITLE IV—TRANSPORTATION REVENUES USED SOLELY FOR TRANSPORTATION

SEC. 401. READJUSTMENTS.

Levels of new budget authority and outlays set forth in function 400 in section 103 shall be increased as follows:

(1) for fiscal year 1998, by $0 in outlays and by $0 in new budget authority;

(2) for fiscal year 1999, by $770,000,000 in outlays and by $3,600,000,000 in new budget authority;

(3) for fiscal year 2000, by $2,575,000,000 in outlays and by $4,796,000,000 in new budget authority;

(4) for fiscal year 2001, by $3,765,000,000 in outlays and by $5,363,000,000 in new budget authority; and

(5) for fiscal year 2002, by $4,488,000,000 in outlays and by $5,619,000,000 in new budget authority;

SEC. 402. HIGHWAY TRUST FUND ALLOCATIONS.

(a) ALLOCATED AMOUNTS.—Of the amounts of outlays allocated to he Committees on Appropriations of the House and Senate by the joint explanatory statement accompanying this resolution pursuant to sections 302 and 602 of the Congressional Budget Act of 1974, the following amounts shall be used for contract authority spending out of the Highway Trust Fund—

(1) for fiscal year 1998, $22,256,000,000 in outlays;

(2) for fiscal year 1999, $24,063,000,000 in outlays;

(3) for fiscal year 2000, $26,092,000,000 in outlays;

(4) for fiscal year 2001, $27,400,000,000 in outlays; and

(5) for fiscal year 2002, $28,344,000,000 in outlays;

(b) ENFORCEMENT.—Determinations regarding points of order made under section 302(f) or 602(c) of the Congressional Budget Act of 1974 shall take into account subsection (a).

(c) STATUTORY IMPLEMENTATION.—As part of reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991, provisions shall be included to enact this section into permanent law.

Mr. WARNER. I ask that the amendment be laid aside, and I ask the managers if the Senator from Virginia can follow the Senator from Florida [Mr. MACK].

Mr. KERRY. Reserving the right to object.

Mr. LAUTENBERG. We reserve the right to object.

Mr. DOMENICI. I do not want to agree to that. I have to get a better understanding.

Mr. WARNER. I thought that was the understanding, having discussed it——

Mr. DOMENICI. I have to look at it a little more carefully and see where we are going this evening.

Mr. LAUTENBERG. I hope the manager will give us——

Mr. DOMENICI. He is going to have a chance to have his amendment; there is no question.

Mr. President, may I be recognized for a moment.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. I do not think any Senators ought to be worried about having to get to the floor now to offer their amendments. Under the unanimous-consent request, we said they had to be filed by the close of business today. You can just file them.

They have to be offered in the Chamber. OK. So I say to Senators, I am going to get us many as I can, and then I will want later——

Mr. GRAMM. Why don't we do the people on the floor. If others appear, let us do it, but that will run into hours. Let us let everybody on the floor file their amendment if they want to.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

AMENDMENT NO. 312

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY], for himself, Mr. CHAFEE, Mr. ROBB, Mr. FRIST, Mr. BREAUX, Mr. ROTH, and Mr. BINGAMAN, proposes an amendment numbered 312.

Mr. KERREY. 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:

AMENDMENT NO. 312

(Purpose: To express the Sense of the Senate on the need for long-term entitlement reforms)

At the appropriate place, add the following:

SEC. . SENSE OF THE SENATE SUPPORTING LONG-TERM ENTITLEMENT REFORMS.

(a) The Senate finds that the resolution assumes the following—

(1) entitlement spending has risen dramatically over the last thirty-five years.

(2) in 1963, mandatory spending (i.e. entitlement spending and interest on the debt) made up 29.6 percent of the budget, this figure rose to 61.4 percent by 1993 and is expected to reach 70 percent shortly after the year 2000.

(3) this mandatory spending is crowding out spending for the traditional ''discretionary'' functions of government like clean air and water, a strong national defense, parks and recreation, education, our transportation system, law enforcement, research and development and other infrastructure spending.

(4) taking significant steps sooner rather than later to reform entitlement spending will not only boost economic growth in this country, it will also prevent the need for drastic tax and spending decisions in the next century.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that levels in this budget resolution assume that—

(1) Congress and the President should work to enact structural reforms in entitlement spending in 1997 and beyond which sufficiently restrain the growth of mandatory spending in order to keep the budget in balance over the long term, extend the solvency of the Social Security and Medicare Trust Funds, avoid crowding out funding for basic government functions and that every effort should be made to hold mandatory spending to no more than seventy percent of the budget.

Mr. KERREY. Mr. President, this amendment addresses the need to keep the budget in balance over the long haul. The budget resolution we are considering today will bring us into balance by 2002. I support that budget resolution, that budget effort. But after that work is done, there is some additional work and very difficult work that we need to do.

There are four sets of numbers that I want to bring to my colleagues' attention. The first set of numbers deals with where we are headed in terms of how much of the budget goes to discretionary spending and how much goes to mandatory spending, that is entitlements and interest on the debt. In 1963 our budget was approximately 70 percent discretionary, 30 percent mandatory spending. At the end of this budget agreement, it will be over 70 percent mandatory and less than 30 percent discretionary spending. And about 10 years beyond that it will be nearly 100 percent mandatory spending.

What my amendment says is we ought to fix it at 70 percent, we ought to do what we can to fix it at 70 percent, that at some point we have to stop the movement toward this budget becoming 100 percent mandated spending.

The second set of numbers, Mr. President, illustrates that this problem is not caused by liberals; it is not caused by conservatives. It is caused by a very difficult demographic fact, and that demographic fact is the baby boom generation: 77 million people born between the years 1945 and 1965.

Third, today we have 133 million Americans who are working; they are supporting about 39 million beneficiaries in the Social Security program. In 2030, when a baby born today will be 33 years of age, there will be 163 million workers, a 20-percent increase, but there will be more than a doubling of number of people who will then be beneficiaries, 80 million. We need to address the difficult policy issues behind these numbers sooner rather than later.

Let me give you my last set of numbers, Mr. President, and then I will be finished. I have heard lots of people come to the floor and talk about the need to take care of our children and make sure that we are investing in our children.

In 1996, 29 percent of our population is under the age of 20. In 2030, 24 percent of our population will be under the age of 20. So again, in 33 years, a relatively short period of time, we are going to go from 79 million people under the age of 20 to 83 million people under the age of age 20. But in the over 65 category we will go from 13 percent to 20, from 34 million to 68 million, a doubling of that population.

This amendment simply says to understand the growth of mandatory programs and get that growth under control, it is the sense of the Senate that we make every effort we can to hold mandatory spending below 70 percent of the Federal budget and that we make the structural reforms necessary to make that happen.

I appreciate very much the Senator from Texas allowing me to do this, and I appreciate very much both the Senator from New Mexico and the Senator from New Jersey agreeing to accept this as part of this budget resolution.

Mr. ROBB. Mr. President, I rise in support of the amendment from the Senator from Nebraska which expresses the Sense of the Senate that adjustments in Federal benefit programs should be considered by the Senate. I commend my colleague from Nebraska for his work on this important effort.

Mr. President, this amendment recognizes the fact that we face an explosion in entitlement spending over the near horizon, not just because we promised too much to too many, 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 still remains at 65.

In 1950, seven workers supported each social security beneficiary, Mr. President. By 1990 there were just five workers per beneficiary. And 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 will consume every single dollar the Federal Government takes in. This stifles our ability to invest in our Nation and protect some of our most vulnerable citizens.

And it doesn't have to be, Mr. President. 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.

Mr. President, this amendment proposes that we work to enact structural reforms which will successfully restrain the growth of mandatory expenditures. In my view, the Senate should consider such reforms as using the most accurate measure of cost-of-living available, extending the civil service retirement age for future Government workers, extending the military retirement age for future enlistees, gradually tracking Medicare eligibility with Social Security eligibility, and extending the retirement age for Social Security.

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.

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.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment. Without objection, the amendment is agreed to.

The amendment (No. 312) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. LAUTENBERG. Mr. President, I have a unanimous-consent request, if I may. I ask unanimous consent that Nick Minshew, a fellow in the office of Senator WELLSTONE, be granted floor privileges for the day.

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

AMENDMENT NO. 291

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington for an amendment.

Mrs. MURRAY. I thank the Chair.

Mr. President, I ask unanimous consent to call up my amendment—it is at the desk—No. 291 on domestic violence.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mrs. MURRAY] for herself and Mr. WELLSTONE, proposes an amendment numbered 291.

Mrs. MURRAY. 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:

AMENDMENT NO. 291

(Purpose: To express the sense of the Congress concerning domestic violence)

At the appropriate place, insert the following:

SEC. . SENSE OF CONGRESS ON FAMILY VIOLENCE OPTION CLARIFYING AMENDMENT.

(a) FINDINGS.—Congress finds the following:

(1) Domestic violence is the leading cause of physical injury to women. The Department of Justice estimates that over 1,000,000 violent crimes against women are committee by intimate partners annually.

(2) Domestic violence dramatically affects the victim's ability to participate in the workforce. A University of Minnesota survey reported that ¼ of battered women surveyed had lost a job partly because of being abused and that over ½ of these women had been harassed by their abuser at work.

(3) Domestic violence is often intensified as women seek to gain economic independence through attending school or training programs. Batterers have been reported to prevent women from attending these programs or sabotage their efforts at self-improvement.

(4) Nationwide surveys of service providers prepared by the Taylor Institute of Chicago, Illinois, document, for the first time, the interrelationship between domestic violence and welfare by showing that from 34 percent to 65 percent of AFDC recipents are current or past victims of domestic violence.

(5) Over ½ of the women surveyed stayed with their batterers because they lacked the resources to support themselves and their children. The surveys also found that the availability of economic support is a critical factor in poor women's ability to leave abusive situations that threaten them and their children.

(6) The restructuring of the welfare programs may impact the availability of the economic support and the safety net necessary to enable poor women to flee abuse without risking homelessness and starvation for their families.

(7) In recongition of this finding, the Committee on the Budget of the Senate in considering the 1997 Resolution on the budget of the United States unanimously adopted a sense of the Congress amendment concerning domestic violence and Federal assistance. Subsequently, Congress adopted the family violence option amendment as part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(8) The family violence option gives States the flexibility to grant temporary waivers from time limits and work requirements for domestic violence victims who would suffer extreme hardship from the application of these provisions. These waivers were not intended to be included as part of the permanent 20 percent hardship exemption.

(9) The Department of Health and Human Services has been slow to issue regulations regarding this provision. As a result, States are hesitant to fully implement the family violence option fearing that it will interfere with the 20 percent hardship exemption.

(10) Currently 15 States have opted to include the family violence option in their welfare plans, and 13 other States have included some type of domestic violence provisions in their plans.

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that the provisions of this Resolution assume that—

(1) States should not be subject to any numerical limits in grading domestic violence good cause waivers under section 402(a)(7)(A)(iii)) of the Social Security Act (42 U.S.C. 602(a)(7)(A)(iii)) to individuals receiving assistance, for all requirements where compliance with such requirements would make it more difficult for individuals receiving assistance to escape domestice violence; and

(2) any individual who is granted a domestic violence good cause waiver by a State shall not be included in the States' 20 percent hardship exemption under section 408(a)(7) of the Social Security Act (42 U.S.C. 608(a)(7)).

Mrs. MURRAY. Mr. President, my amendment seeks only to clarify the support of this body for the family violence option, adopted during consideration of the Personal Responsibility and Work Opportunity Reconciliation Act. The family violence option allows States to waive victims of domestic violence and abuse from punitive work and education requirements, without being penalized. States would not be required to include these individuals in their 20-percent hardship exemption.

The family violence option amendment, which I joined with Senator WELLSTONE in offering to the welfare reform legislation, was intended to give States the flexibility to ensure that victims of domestic violence and abuse do not become victims of welfare reform. The amendment was adopted and accepted as part of the final conference report.

At the time, it was clear to many of us that there is a direct relationship between domestic violence and poverty. Many women and their children become trapped in violent situations based on their economic dependency. For many women and their children, welfare offers the only way out of a violent and dangerous environment. To create arbitrary obstacles to this assistance simply ensures that women and children will be trapped. This was obvious to many of us, but a recent report from the Taylor Institute made our case more solid. This report reviewed previous studies on domestic violence and abuse and made some startling conclusions regarding the number of women who are receiving welfare and who have been abused by their partner. I can tell my colleagues that this number alone could well exceed the 20-percent hardship exemption.

Giving States the flexibility that they need to address this crisis is absolutely necessary if the true objective is welfare reform. Any effort to move people from welfare to work must address the obstacles facing those victims of abuse and violence.

Many States have attempted to include a family violence option in their welfare reform implementation plans. However, because there appears to be a general lack of congressional intent on this option, my amendment is necessary to assist those States who are trying to do the right thing. The States need to know that they will not be penalized for exempting victims of domestic abuse and violence from the mandatory work and training requirements.

For many victims, simply finding a job can place them and their children in great danger. Giving an employer their home phone number or address exposes them to their abuser. Placing their child in unsecured day care exposes the child to the abuser. Victims of domestic violence and abuse cannot simply utilize most day care options. Once they leave their abuser they subject themselves and their child to the risk of retaliation. How can we say to a victim of domestic violence that they must find a job knowing that we are placing them and their children in harms way?

Helping and guiding abused women and children off of welfare involves much more than job training. Many of these women are already employed or have been employed in the past; but their abuser is the obstacle that traps them into a life of poverty. States must be able to meet these needs without jeopardizing the overall success of their welfare reform plans.

I ask my colleagues for not just their support, but their help as well. Please vote yes on this amendment to prevent women and children from being trapped in a violent situation simply because they cannot meet certain requirements that have nothing to do with improving their lives. I know that none of my colleagues would have supported placing obstacles in the way of women trying to leave a violent home.

The PRESIDING OFFICER. Did the Senator from Washington wish her amendment set aside?

Mrs. MURRAY. Yes.

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

AMENDMENT NO. 313

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota.

Mr. WELLSTONE. I send an amendment to the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 313.

Mr. WELLSTONE. I ask unanimous consent that reading of the amendment be dispensed with and the amendment be temporarily set aside.

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

The amendment is as follows:

AMENDMENT NO. 313

(Purpose: To ensure that this resolution assumes increases in funding for Headstart and EarlyStart, child nutrition programs, and school construction, and that this additional funding will be paid for by reducing tax benefits to the top 2 percent of income earners in the United States as well as by reducing tax benefits that are commonly characterized as corporate welfare or tax loopholes)

On page 3, line 3, increase the amount by 1,650,000,000.

On page 3, line 4, increase the amount by 2,190,000,000.

On page 3, line 5, increase the amount by 3,116,000,000.

On page 3, line 6, increase the amount by 4,396,000,000.

On page 3, line 7, increase the amount by 5,012,000,000.

On page 3, line 11, increase the amount by 1,650,000,000.

On page 3, line 12, increase the amount by 2,190,000,000.

On page 3, line 13, increase the amount by 3,116,000,000.

On page 3, line 14, increase the amount by 4,396,000,000.

On page 3, line 15, increase the amount by 5,012,000,000.

On page 4, line 4, increase the amount by 5,400,000,000.

On page 4, line 5, increase the amount by 1,601,000,000.

On page 4, line 6, increase the amount by 2,539,000,000.

On page 4, line 7, increase the amount by 4,141,000,000.

On page 4, line 8, increase the amount by 6,543,000,000.

On page 4, line 12, increase the amount by 1,650,000,000.

On page 4, line 13, increase the amount by 2,190,000,000.

On page 4, line 14, increase the amount by 3,116,000,000.

On page 4, line 15, increase the amount by 4,396,000,000.

On page 4, line 16, increase the amount by 5,012,000,000.

On page 21, line 25, increase the amount by 1,101,000,000.

On page 22, line 1, increase the amount by 1,690,000,000.

On page 22, line 8, increase the amount by 2,039,000,000.

On page 22, line 9, increase the amount by 2,616,000,000.

On page 22, line 16, increase the amount by 3,541,000,000.

On page 22, line 17, increase the amount by 3,796,000,000.

On page 22, line 24, increase the amount by 5,843,000,000.

On page 22, line 25, increase the amount by 4,312,000,000.

On page 26, line 6, increase the amount by 400,000,000.

On page 26, line 7, increase the amount by 400,000,000.

On page 26, line 14, increase the amount by 500,000,000.

On page 26, line 15, increase the amount by 500,000,000.

On page 26, line 22, increase the amount by 500,000,000.

On page 26, line 23, increase the amount by 500,000,000.

On page 27, line 5, increase the amount by 600,000,000.

On page 27, line 6, increase the amount by 600,000,000.

On page 27, line 13, increase the amount by 700,000,000.

On page 27, line 14, increase the amount by 700,000,000.

On page 38, line 14, decrease the amount by 700,000,000.

On page 38, line 15, decrease the amount by 2,700,000,000.

On page 40, line 17, decrease the amount by 5,000,000,000.

On page 41, line 7, decrease the amount by 5,012,000,000.

On page 41, line 8, decrease the amount by 16,364,000,000.

On page 43, line 21, increase the amount by 1,101,000,000.

On page 43, line 22, increase the amount by 440,000,000.

On page 43, line 24, increase the amount by 2,039,000,000.

On page 43, line 25, increase the amount by 1,366,000,000.

On page 44, line 2, increase the amount by 3,541,000,000.

On page 44, line 3, increase the amount by 2,546,000,000.

On page 44, line 5, increase the amount by 5,843,000,000.

On page 44, line 6, increase the amount by 4,312,000,000.

AMENDMENT NO. 314

Mr. WELLSTONE. Mr. President, I send another amendment to the desk on behalf of myself and Senator BINGAMAN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself, Mr. REED, Mr. BINGAMAN, and Mr. MOYNIHAN, proposes an amendment numbered 314.

Mr. WELLSTONE. 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:

AMENDMENT NO. 314

(Purpose: To ensure that the provisions in this resolution assume that, before funds are spent on unjustified tax benefits and tax loopholes commonly known as corporate welfare, Pell Grants for needy studnets should be increased)

On page 3, line 4, increase the amount by $1,600,000,000.

On page 3, line 5, increase the amount by $1,600,000,000.

On page 3, line 6, increase the amount by $1,600,000,000.

On page 3, line 7, increase the amount by $1,500,000,000.

On page 3, line 12, increase the amount by $1,600,000,000.

On page 3, line 13, increase the amount by $1,600,000,000.

On page 3, line 14, increase the amount by $1,600,000,000.

On page 3, line 15, increase the amount by $1,500,000,000.

On page 4, line 5, increase the amount by $1,600,000,000.

On page 4, line 6, increase the amount by $1,600,000,000.

On page 4, line 7, increase the amount by $1,500,000,000.

On page 4, line 8, increase the amount by $1,300,000,000.

On page 4, line 13, increase the amount by $1,600,000,000.

On page 4, line 14, increase the amount by $1,600,000,000.

On page 4, line 15, increase the amount by $1,600,000,000.

On page 4, line 16, increase the amount by $1,500,000,000.

On page 21, line 25, increase the amount by $1,600,000,000.

On page 22, line 1, increase the amount by $1,600,000,000.

On page 22, line 8, increase the amount by $1,600,000,000.

On page 22, line 9, increase the amount by $1,600,000,000.

On page 22, line 16, increase the amount by $1,500,000,000.

On page 22, line 17, increase the amount by $1,600,000,000.

On page 22, line 24, increase the amount by $1,300,000,000.

On page 22, line 25, increase the amount by $1,500,000,000.

On page 43, line 21, increase the amount by $1,600,000,000.

On page 43, line 22, increase the amount by $1,600,000,000.

On page 43, line 24, increase the amount by $1,600,000,000.

On page 43, line 25, increase the amount by $1,600,000,000.

On page 44, line 2, increase the amount by $1,500,000,000.

On page 44, line 3, increase the amount by $1,600,000,000.

On page 44, line 6, increase the amount by $1,300,000,000.

On page 44, line 6, increase the amount by $1,500,000,000.

Mr. WELLSTONE. I ask unanimous consent that the amendment be temporarily laid aside.

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

The Chair recognizes the Senator from Florida.

AMENDMENT NO. 315

Mr. MACK. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. MACK] for himself, Mrs. FEINSTEIN, Mr. KENNEDY, Mr. FRIST, Mr. D'AMATO, Mr. DEWINE, Mrs. BOXER, Ms. COLLINS, Mr. DURBIN, Mr. REID, Mr. BREAUX, and Mr. SPECTER, proposes an amendment numbered 315.

Mr. MACK. 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:

AMENDMENT NO. 315

(Purpose: To express the sense of the Senate that the Federal commitment to biomedical research should be doubled over the next 5 years)

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING THE NATIONAL INSTITUTES OF HEALTH.

(a) FINDINGS.—Congress finds that—

(1) heart disease was the leading cause of death for both men and women in every year from 1970 to 1993;

(2) mortality rates for individuals suffering from prostate cancer, skin cancer, and kidney cancer continue to rise;

(3) the mortality rate for African American women suffering from diabetes is 134 percent higher than the mortality rate of Caucasian women suffering from diabetes;

(4) asthma rates for children increased 58 percent from 1982 to 1992;

(5) nearly half of all American women between the ages of 65 and 75 reported having arthritis;

(6) AIDS is the leading cause of death for Americans between the ages of 24 and 44;

(7) the Institute of Medicine has described United States clinical research to be ''in a

state of crisis'' and the National Academy of Sciences concluded in 1994 that ''the present cohort of clinical investigators is not adequate'';

(8) biomedical research has been shown to be effective in saving lives and reducing health care expenditures;

(9) research sponsored by the National Institutes of Health has contributed significantly to the first overall reduction in cancer death rates since recordkeeping was instituted;

(10) research sponsored by the National Institutes of Health has resulted in the identification of genetic mutations for osteoporosis; Lou Gehrig's Disease, cystic fibrosis, and Huntington's Disease; breast, skin and prostate cancer; and a variety of other illnesses;

(11) research sponsored by the National Institutes of Health has been key to the development of Magnetic Resonance Imaging (MRI) and Positron Emission Tomography (PET) scanning technologies;

(12) research sponsored by the National Institutes of Health has developed effective treatments for Acute Lymphoblastic Leukemia (ALL). Today, 80 percent of children diagnosed with Acute Lymphoblastic Leukemia are alive and free of the disease after 5 years; and

(13) research sponsored by the National Institutes of Health contributed to the development of a new, cost-saving cure for peptic ulcers.

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

(1) appropriations for the National Institutes of Health should be increased by 100 percent over the next 5 fiscal years; and

(2) appropriations for the National Institutes of Health should be increased by $2,000,000,000 in fiscal year 1998 over the amount appropriated in fiscal year 1997.

Mr. MACK. I ask unanimous consent that the amendment be set aside.

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

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

AMENDMENT NO. 316

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. ABRAHAM] for himself, Mr. KYL, Mr. BROWNBACK, Mr. ASHCROFT, Mr. SESSIONS, and Mr. COVERDELL, proposes an amendment numbered 316.

Mr. ABRAHAM. 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:

AMENDMENT NO. 316

(Purpose: To express the sense of the Senate that, to the extent that future revenues exceed the revenue aggregates contained in this resolution, those additional revenues should be reserved for deficit reduction and tax cuts only)

SEC. . SENSE OF SENATE ON ECONOMIC GROWTH DIVIDEND PROTECTION.

(a) FINDINGS.—

The Senate finds that with respect to the revenue levels established under this resolution:

(A) According to the President's own economists, the tax burden on Americans is the highest ever at 31.7 percent.

(B) According to the National Taxpayers Union, the average American family now pays almost 40 percent of their income in state, local, and federal taxes.

(C) Between 1978 and 1985, while the top marginal rate on capital gains was cut almost in half—from 35 to 20 percent—total annual federal receipts from the tax almost tripled from $9.1 billion annually to $26.5 billion annually.

(D) Conversely, when Congress raised the rate in 1986, revenues actually fell well below what was anticipated.

(E) Economists across-the-board predict that cutting the capital gains rate will result in a revenue windfall for the Treasury.

(F) While a USA Today poll from this March found 70 percent of the American people believe that they need a tax cut, under this resolution federal spending will grow 17 percent over five years while the net tax cuts are less than 1 percent of the total tax burden.

(b) SENSE OF SENATE.—It is the sense of the Senate that with respect to the revenue levels established under this resolution, to the extent that actual revenues exceed the revenues projected under this resolution due to higher than anticipated economic growth, that revenue windfall should be reserved exclusively for additional tax cuts and/or deficit reduction.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the amendment be set aside.

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

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the patient Senator from Texas.

AMENDMENT NOS. 317, 318, 319 AND 320

Mr. GRAMM. Mr. President, having been patient, I want to send four amendments to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes amendments numbered 317, 318, 319, and 320.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 317

(Purpose: To express the sense of the Senate to address emergency spending)

At the end of title III insert the following:

SEC. . SENSE OF THE SENATE ON DISASTER ASSISTANCE FUNDING.

(a) FINDINGS.—The Senate finds that—

(1) emergency spending adds to the deficit and total spending;

(2) the Budget Enforcement Act of 1990 exempts emergency spending from the discretionary spending caps and pay-go requirements;

(3) the Budget Enforcement Act of 1990 expires in 1998 and needs to be extended;

(4) since the enactment of the Budget Enforcement Act, Congress and the President have approved an average of $5.8 billion per year in emergency spending;

(5) a natural disaster in any particular State is unpredictable, but the United States is likely to experience a natural disaster almost every year.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals underlying this concurrent resolution on the budget assume that—

(1) the Congress should consider in the extension of the Budget Enforcement Act provisions that budget for emergencies or that require emergency spending to be offset;

(2) such provisions should also provide flexibility to meet emergency funding requirements associated with natural disasters;

(3) Congress and the President should appropriate at least $5 billion every year within discretionary limits to provide natural disaster relief;

(4) Congress and the President should not designate any emergency spending for natural disaster relief until amounts provided in regular appropriations are exhausted.

AMENDMENT NO. 318

(Purpose: To hold nondefense discretionary spending for fiscal years 1998 through 2002 to the levels proposed by President Clinton in his fiscal year 1997 budget request for these same years, saving $76 billion, and using these savings to increase the net tax cut from $85 billion to $161 billion, allowing full funding of the $500 per child tax credit and full funding of the capital gains tax cut)

On page 3, decrease the amount on line 2 by $2,800,000,000.

On page 3, decrease the amount on line 4 by $14,200,000,000.

On page 3, decrease the amount on line 5 by $22,000,000,000.

On page 3, decrease the amount on line 6 by $23,200,000,000.

On page 3, decrease the amount on line 7 by $14,800,000,000.

On page 3, decrease the amount on line 11 by $2,800,000,000.

On page 3, decrease the amount on line 12 by $14,200,000,000.

On page 3, decrease the amount on line 13 by $22,000,000,000.

On page 3, decrease the amount on line 14 by $23,200,000,000.

On page 3, decrease the amount on line 15 by $14,800,000,000.

On page 4, decrease the amount on line 4 by $10,400,000,000.

On page 4, decrease the amount on line 5 by $15,100,000,000.

On page 4, decrease the amount on line 6 by $16,800,000,000.

On page 4, decrease the amount on line 7 by $5,400,000,000.

On page 4, decrease the amount on line 8 by $3,700,000,000.

On page 4, decrease the amount on line 12 by $2,800,000,000.

On page 4, decrease the amount on line 13 by $14,200,000,000.

On page 4, decrease the amount on line 14 by $22,000,000,000.

On page 4, decrease the amount on line 15 by $23,200,000,000.

On page 4, decrease the amount on line 16 by $14,800,000,000.

On page 35, decrease the amount on line 9 by $10,400,000,000.

On page 35, decrease the amount on line 10 by $2,800,000,000.

On page 35, decrease the amount on line 15 by $15,100,000,000.

On page 35, decrease the amount on line 16 by $14,200,000,000.

On page 35, decrease the amount on line 21 by $16,800,000,000.

On page 35, decrease the amount on line 22 by $22,000,000,000.

On page 36, decrease the amount on line 2 by $5,400,000,000.

On page 36, decrease the amount on line 3 by $23,200,000,000.

On page 36, decrease the amount on line 8 by $3,700,000,000.
On page 36, decrease the amount on line 9 by $14,800,000,000.
On page 41, increase the amount on line 7 by $14,800,000,000.
On page 41, increase the amount on line 8 by $77,000,000,000.
On page 43, decrease the amount on line 14 by $10,400,000,000.
On page 43, decrease the amount on line 15 by $2,800,000,000.
On page 43, decrease the amount on line 21 by $15,100,000,000.
On page 43, decrease the amount on line 22 by $14,200,000,000.
On page 43, decrease the amount on line 24 by $16,800,000,000.
On page 43, decrease the amount on line 25 by $22,000,000,000.
On page 44, decrease the amount on line 2 by $5,400,000,000.
On page 44, decrease the amount on line 3 by $23,200,000,000.
On page 44, decrease the amount on line 5 by $3,700,000,000.
On page 44, decrease the amount on line 6 by $14,800,000,000.

AMENDMENT NO. 319

(Purpose: To ensure that the discretionary limits provided in the budget resolution shall apply in all years)

On page 45, strike line 10 through the period on line 18.

AMENDMENT NO. 320

(Purpose: To ensure that the 4.3¢ federal gas tax increase enacted in 1993, which for the first time dedicated a permanent gas tax increase to general revenues, will be transferred to the Highway Trust Fund, providing about $7 billion per year more for transportation infrastructure and reducing other spending by an equal amount, making the transfer deficit neutral)

On page 18, line 8, increase the amount by $6,931,000,000.
On page 18, line 9, increase the amount by $6,931,000,000.
On page 18, line 16, increase the amount by $7,052,000,000.
On page 18, line 17, increase the amount by $7,052,000,000.
On page 18, line 24, increase the amount by $7,171,000,000.
On page 18, line 25, increase the amount by $7,171,000,000.
On page 19, line 7, increase the amount by $7,292,000,000.
On page 19, line 8, increase the amount by $7,292,000,000.
On page 19, line 15, increase the amount by $7,414,000,000.
On page 19, line 16, increase the amount by $7,414,000,000.
On page 35, line 9, decrease the amount by $6,931,000,000.
On page 35, line 10, decrease the amount by $6,931,000,000.
On page 35, line 15, decrease the amount by $7,052,000,000.
On page 35, line 16, decrease the amount by $7,052,000,000.
On page 35, line 21, decrease the amount by $7,171,000,000.
On page 35, line 22, decrease the amount by $7,171,000,000.
On page 36, line 2, decrease the amount by $7,292,000,000.
On page 36, line 3, decrease the amount by $7,292,000,000.
On page 36, line 8, decrease the amount by $7,414,000,000.
On page 36, line 9, decrease the amount by $7,414,000,000.
On page 43, line 14, decrease the amount by $6,931,000,000.
On page 43, line 21, decrease the amount by $7,052,000,000.
On page 43, line 24, decrease the amount by $7,171,000,000.
On page 44, line 2, decrease the amount by $7,292,000,000.
On page 44, line 5, decrease the amount by $7,414,000,000.

Mr. GRAMM. Under the unanimous-consent request, the first amendment is a disaster amendment that has been accepted by Senator DOMENICI. I do not think that will require much debate. The amendment that we will debate and we will vote on is the amendment having to do with taxes. And so what I would like to do is to set aside the other two amendments and go ahead and begin the debate on the amendment on taxes.

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

AMENDMENT NO. 318

Mr. GRAMM. Mr. President, I want to make an opening statement now about the budget before I turn to the amendment on taxes. Let me begin by congratulating those who have put the budget agreement together. I have had an opportunity in both the House and the Senate to work on many budgets. I understand the difficulty of putting a budget agreement together. And I think when so many people have done so much work, it is incumbent on someone who opposes that final product to say why. So what I would like to do is to go ahead and explain why I am not for this budget, what I believe is wrong with the budget, and then consider an amendment which corrects to a significant degree not everything that I find objectionable in the budget, but certainly as a movement toward the vision that I have for the future of the country and what we would like that future to be.

Let me begin by going through a couple of charts which I think will save time for the Senate.

The PRESIDING OFFICER. Will the Senator suspend for one moment.

The clerk will report the amendment.

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 318.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, let me start by going through the budget that is before us and outlining the concerns I have about it. I would like to discuss it in some detail. Let me say in advance the two points I hope to make. No. 1, that this does not balance the Federal budget, and neither the country nor the Congress should be deceived about that, nor should this change our behavior in being vigilant about spending.

Second, I want to make the point that this does not save Medicare, that, quite the contrary, it simply engages in a bookkeeping entry on Medicare that makes it look better in the short run, but we are adding five new or expanded Medicare benefits which clearly will add to the financial insolvency of the system.

Having gone through that, then I will turn to the amendment. First of all, let me talk about deficits. When this budget debate started, based on a re-estimation of the economy due to stronger economic output and stronger performance, what was required to balance the Federal budget when this budget debate started was $339 billion of deficit reduction. When the President and congressional negotiators met for the first time, that was the level of deficit reduction that was required, as compared to current law, to balance the Federal budget. In other words, if we had simply not had a budget and left every law in place, not repeal any law, not pass a new law, and kept discretionary spending at its current level, it would have taken $339 billion of deficit reduction to balance the Federal budget.

I would like to first go through how this budget balances the budget in 2002.

On Thursday night 3 weeks ago, when we reached an impasse in the budget negotiations, the Congressional Budget Office came forward with the glorious news that, due to a change in the estimation they had made, the Federal Government could expect to collect $225 billion of additional revenues over the next 5 years. That $225 billion of additional revenues that the Congressional Budget Office decided to project for the future represents 66 percent of all deficit reduction required to balance the budget that is before us; 66 percent of the deficit reduction simply comes from the fact that the Congressional Budget Office, 3 weeks ago, decided to change the estimate about the future performance of the economy and tax collections, based on the very strong quarter of economic growth we are in.

Mr. President, $28 billion of the deficit reduction in the budget before us comes from an assumption that the measure of inflation will be lower in the future, and that $28 billion of savings that comes from an assumption about the Bureau of Labor Statistics changing the measure of inflation represents 8 percent of the deficit reduction needed in the budget before us.

Mr. President, $77 billion of the deficit reduction in the budget before us comes from the assumption that, with a balanced budget, the economy will be even stronger, and that represents 23 percent of the deficit reduction in this budget.

So, when we total all this up, 97 cents out of every dollar of deficit reduction in the budget before us comes not from changing policy, not from constraining entitlements, not from cutting discretionary spending, but from assuming—from assuming—that revenue collections will rise in the future, from assuming that inflation will be lower in the future, from assuming that the economy will be stronger in the future. So, before this budget ever does anything, it assumes 97 cents out of every dollar of the projected deficit for the next 5 years away. Only 3 cents out of every dollar of deficit reduction in this

budget represents a change in policy. In fact, that is a whopping total of $9 billion of deficit reduction in this budget that comes from changing Government policy.

In fact, every penny of that deficit reduction comes from assuming that we are going to sell to radio and television stations, and to nonbroadcast users, spectrum, and that spectrum is going to bring $26 billion into the Treasury. In fact, the last year where all this $9 billion of savings is needed, it is assumed to bring in $14.8 billion. Last year, we sold spectrum to fund increased spending of $2.9 billion. We estimated it would bring that. When it was sold, it brought $13.6 million. In other words, for every $200 we thought we were going to get by selling spectrum, we got $1. But we still spent every dollar of the $2.9 billion we assumed.

So the first point I want everybody to understand—and it is important that they understand it because someone might believe that we have put the deficit behind us by making hard choices here—the truth is, 97 cents out of every dollar of deficit reduction in this budget, as compared to current policy and current law, comes from simply assuming the economy is going to be stronger in the future and that prices are going to be lower in the future. And, of course, no one knows what is going to happen in the future.

Next, I would like to go through and show you a startling fact, which is, not only does this budget not reduce the deficit, but in reality it raises the deficit by $71 billion over the next 4 years as compared to what would happen if there were no budget. Let me try to explain this. I know it is a little complicated, but, if you look at this, I think you can see it.

Under current law, with current spending, if we simply continue to do exactly what we are doing now, with no budget, the deficit next year would be $76 billion. But, under this budget, with policy changes, we are adding $14 billion, much of it in new spending on discretionary accounts and 13 new mandatory and entitlement spending programs. So actually, by passing this budget today as compared to current policy, we are raising the deficit for the coming year by $14 billion, from $76 to $90 billion.

In 1999, if we simply continue current policy, the deficit would be $77 billion, according to the Congressional Budget Office. But we are going to add $13 billion to the deficit, so it will actually be $90 billion.

In the year 2000, we are raising the deficit from $70 to $83 billion, by $13 billion. In the year 2001, continuing current policy would produce a deficit of $22 billion, but we are going to raise it by another $31 billion. We are going to more than double it, so the deficit would be $53 billion. And the first and only deficit reduction due to policy change in this budget is $10 billion in the year 2002, in a new century, under a new President. Until we reach that point, nothing in this budget lowers the deficit by a penny, and, in fact, this budget raises the deficit by a total of $71 billion in those 4 years.

Let me turn to some other points. Probably the most startling thing that people will come to understand about this budget is that it spends so much money that the first thing we have to do in this budget is waive the spending limit set in the 1993 budget. Let me remind my colleagues and anybody at home who might be watching this debate, in 1993 we had a Democrat Congress and we had a Democrat President. They passed a budget where they increased spending and increased taxes. But they set a spending cap in that budget, and that cap said, by 1998, we would spend no more than $546.4 billion on discretionary accounts. That was in the President's budget. The Congress actually lowered that a little to $545.9 billion the next year.

Under this budget deal, we are going to spend $553.3 billion. So the first act of this new budget is to bust the budget law that is currently in effect, and we are going to have to waive a point of order at some point that I am going to raise so that we can spend $7.4 billion more than we set out, in the 1993 budget, to spend in 1998. This is a partisan point, but it is very relevant. This is going to be the first time in history that a Republican Congress is going to vote to bust the budget set by a Democrat Congress so we can spend more money.

We have had a lot of discussions about what this budget does and does not do with regard to spending. I am sure, as people who follow the debate know, we have all kinds of ways of confusing this debate. We have what we call a current service baseline, where you cut relative to what you would have spent. So, for example, if you are going to buy a new shotgun and you come home and your spouse looks at you funny because you already own 20 shotguns, you say, ''Look, honey, I was going to spend $1,200, but I only spent $1,000, so I saved $200.'' It is that kind of baseline under which people talk about this budget saving money.

But let me talk about things you know something about. Do you remember the Contract With America? Well, I remember it. I think the American people remember it. The Senate and the House have forgotten it. But we wrote a budget called the Contract With America, and we all ran for office on it, at least people on this side of the aisle did. We passed that budget in 1995, and, as compared to that budget for the years 1998 through the year 2002, this budget we are voting on here today will raise spending by $212 billion on discretionary nondefense programs, basically social programs, above the level contained in the Contract With America budget that was adopted in 1996. So however you want to define spending, the one thing we know is, compared to the budget that we adopted 2 years ago for the same years, we are increasing spending by $212 billion, basically on nondefense discretionary social programs.

We voted on a budget right here on the floor of the Senate a year ago that set spending totals for 1997 and 1998, through the year 2002. As compared to the budget we voted on just last year, the budget before us today spends a whopping $189 billion more in the same years on discretionary social programs than we spent in the budget we adopted on this very floor only a year ago at this time. As compared to the President's budget that he offered last year, this budget spends an additional $76 billion on social programs, and, as scored by the Congressional Budget Office, this budget actually spends slightly more than the President asked for in this year's budget.

In reality, the 1 year that really matters is the year that this budget will set out in detail, that is, the 1998 budget as compared to our 1996 budget. This will spend, in 1 year, $38 billion more than the Contract With America; as compared to the budget we adopted last year, it will spend $23 billion more; as compared to the budget the President submitted last year, it will spend $3 billion more, simply on discretionary programs. But that is just discretionary programs.

This budget will create or fund 13 mandatory and entitlement programs that will either be created new or will be expanded or will represent new benefits. I remind my colleagues that every one of these mandatory programs in these entitlement programs is a little baby elephant that is set to grow in the future. We just adopted, by unanimous consent, an amendment of our dear colleague from Nebraska that said to us, listen, we need to be alert about the growth of entitlements and maybe we ought not to let these programs consume more than 70 percent of the budget. We all supported the resolution. But you need to realize that the budget before us has 13 new spending programs or additions or additional funding to mandatory and entitlement programs that do not exist under current law.

Let me go over what those are: environmental reserve fund. We have five new or expanded Medicare benefits. I am going to come back to Medicare. We increase Medicaid funding for the District of Columbia and Puerto Rico. We increase Medicare funding in terms of reducing copayments at the very time we cannot pay for Medicare as it now exists. We restore welfare benefits for immigrants and refugees and asylees. We expand the Food Stamp Program. We expand a welfare-to-work grant. We expand child health care and barely avoided raising it by another $20 billion.

So, basically, there are two reasons that I am not for this budget, and I didn't come here today to argue against it thinking I was going to convince anybody. This is a wonderful political deal. It is a wonderful political

deal because it allows everybody to get what they want. It allows President Clinton, in his own words, to have the largest expansion in social programs since the 1960's. It allows Republicans to talk about having a tax cut. And it allows both parties to claim they are balancing the Federal budget. But in reality, if it sounds too good to believe that we are having the largest increase in social spending since the sixties and we are cutting taxes and balancing the budget at the same time, the reason is that it is too good to be believed. In reality, it is not true.

The two points I want to make are these: First, we are not balancing the budget here; we are simply assuming the budget is balanced. It may be that, based on a strong economic performance in the last quarter, the future picture of the economy is changed for 5 years. It may be that this is going to be, by far, the longest and strongest recovery in American history. But the probability is that that is not true, and it is not sound policy to set out the financial plan for the whole country based on those kinds of assumptions. I do not think it would be quite as far-fetched as assuming you could pay your bills because you are going to win the lottery, but, basically, for anybody to believe that we are balancing the budget based on policy decisions that I already demonstrated are not true, it is important that the Congress, it is important that the country not let its guard down and understand that all we have done in this budget is assume the deficit away, and it may or may not be gone.

I raise this concern because in the supplemental appropriations that we dealt with last week, we added another $6.6 billion to these spending totals, so that we have, in reality, already busted this budget which has not yet been adopted. These spending totals that I talked about of being $189 billion above last year's budget in this budget, we have already added to that by passing a supplemental last week, which adds another $6.6 billion to the deficit.

The second and final point I want to make about the budget is it is very important that nobody believe that this budget solves the Medicare problem. What does this budget do about Medicare? First, it says we are going to lower reimbursement for doctors and hospitals. We have done that a dozen times. It has never worked, and it has never worked because, like all wage and price controls, people find ways to get around it. Yet, while we know it has never worked in the past, we have it in this bill because we have agreed to take, in essence, the President's policy in Medicare.

But that is not the worst part of it. The claim that this budget saves Medicare for 10 years is not just based on that unachieved and unachievable savings by simply reducing payments to hospitals and doctors; it is based on taking the fastest growing part of Medicare and taking it out of the Medicare trust fund and funding it in general revenue. Home health care, which is the fastest growing part of Medicare, is taken out of the trust fund under this budget agreement and is funded out of general revenue.

Virtually every person on my side of the aisle, when this was discussed 6 months ago, said, ''Well, that's fraudulent.'' That is equivalent to having a bunch of debt on your credit card and you go to the bank and borrow money and pay part of it off and then you say, ''Well, look, I'm out of debt.''

As I said when this was suggested by the President, ''Look, I can do you better, I can make Medicare solvent for 100 years. Take hospital care out of the trust fund.'' But does that change anything? Does that solve anything?

So here we are engaging in a shell game which is totally fraudulent, taking the fastest growing part of the trust fund out, not counting it, paying for it out of general revenues and claiming we save Medicare for 10 years when Medicare is going to cause a $1.6 trillion drain on the Federal Treasury in the next 10 years.

The terrible tragedy of this is we were on the verge of getting a bipartisan consensus to really reform Medicare. I am afraid that by accepting this budget deal we are going to take the pressure off Congress, because if Medicare is solvent for 10 years because we have taken the fastest growing part of it out and hidden it in general revenues, is there a problem? Why should we all cast tough votes that could cost us our jobs if we can tell people there is no problem?

Do not believe this balances the budget. It simply assumes the budget is balanced. We have assumed it was balanced on many other occasions, and it has not been balanced, I am afraid. Just like a family budget, assuming you win the lottery normally does not work. The way you balance your budget sitting around your kitchen table is by saying no. There is no ''no'' in this budget. There is no ''no'' here. There is no ''no'' to anybody. There is nothing in this budget that really represents any kind of fundamental change in policy. What this budget is is a wonderful political document, but I am afraid that this political document is going to induce us to spend more, it is going to induce us not to deal with Medicare, and America is going to be the loser.

Let me turn to my amendment, and let me say this is a controversial amendment. Some are going to say this is a deal-breaker amendment and, in a sense, if you want to argue that, you can. But let me talk about the amendment.

First of all, I have a chart up here, and I want people to understand what has happened to the Federal budget in the last 10 years. If you look at 1987 and then you look at 1996 and you adjust for inflation, real spending on defense has gone down by 27 percent, real spending on entitlements has gone up by 38 percent, and despite all of the protest from the President and from Members of Congress, nondefense discretionary spending, the fundamental general Government, social programs, general Government operating expenses, are up over 10 years by 24 percent. So all of Government has grown dramatically in the last 10 years except defense.

What has happened to family income in the last 10 years? If you take the average family income of America and you adjust it for inflation and take out taxes and payroll taxes and look at what the average working family in America had to spend in 1987 and what they had to spend in 1996—we do not have the figure for this year yet—basically what happened to the American family, as compared to the American Government during this same 10 years, was Government grew and grew rapidly, but here is what happened to the average family:

After taxes, after inflation, the income of the average working family in America fell, after-tax income from $28,302, 10 years later, 10 years of working and struggling and often both the husband and the wife where families are blessed with two parents in the household, 10 years later, that average family is making $27,737 after taxes. So in 10 years where Government has grown, in 10 years where we have not said no to Government, working families have actually seen their spendable income after taxes decline from $28,302 to $27,737.

My amendment is very simple. My amendment says, let's go back to the budget that President Clinton submitted last year. I remind my colleagues that in the budget he submitted last year, it provided funding for not only last year but this year and every year to 2002. When we voted on our budget, the President said his budget for 1997 provided the education funding, housing funding, the medical care funding that America would need through the year 2002. Various Members of the Senate stood up and spoke on behalf of this budget.

Senator LAUTENBERG said:

> It makes critical investments in education and training. It provides increased funding for programs like Head Start, title I, safe and drug-free schools.

The President said:

> This budget funds my priorities.

One year later, for the same years, the President says, ''Well, you know I said last year I had enough money for all those things, but actually now, I need $76 billion more for the same 5 years than I said I needed last year.''

So here is what my amendment does. My amendment goes back and takes the President's last year's budget for 1998, 1999, 2000, 2001, and 2002 and says, ''OK, Mr. President, we are going to give you everything you said last year you needed to spend in these years, and then we are going to take the $76 billion of savings and we are going to give them back to families by cutting taxes and by guaranteeing that families will

get the $500 tax credit per child that we promised in our budget and guaranteeing that we will get full capital gains tax cut.''

If you vote for this amendment, what do you say? You are going to hear many ways of saying what you are saying is, ''You are cutting Government spending below the President's requested level, below the budget; you are breaking the deal.'' In reality, what you are saying is, ''We are giving the President everything he said he needed last year,'' but we are saying more than that. We are saying, rather than spending another $76 billion in Washington on behalf of all these families, we are going to give that money back to them and let them spend it themselves. That is what this is about.

The question you have to answer on this amendment is this: Can we spend this money on behalf of American families better than they can spend it? By letting families keep $500 more per child, for every working family in America, can they take that money and invest it in education, housing, nutrition, and health care better than we can spend it on their behalf? Do we know their interests better than they do?

Let me say, I do not think so. I know the Government, and I know the family, and I know the difference. I believe that the biggest problem in America, in terms of finances, is that Government is spending too much and families are spending too little. We are literally starving the only institution in America that really works, and that is the family. How can it make sense for Government to grow year after year after year when the family budget has declined in real terms on an after-tax basis for the last 10 years? Shouldn't we take this $76 billion more than the President asked for last year and let families spend it instead of letting the Government spend it?

Now, if we adopt this amendment, we are going to change the budget, we are going to have $76 billion less of Government spending, basically on social programs. I am not saying there are not some good programs in there, but I am saying this, that if you take all $76 billion of new discretionary spending and you let American families look at it and say, ''Would you rather have us spend this for you or would you rather spend it yourself?'' the vast majority of working families would say, ''I would rather spend it.''

In fact, if you just ask taxpayers, who paid for it, I would not doubt that 95 percent of them would say, ''Yeah, I think probably I can spend it for my family a little better than you can spend it for me.'' So that is what this is about.

This does not raise the deficit. It just simply says, instead of giving the President $76 billion more to spend than he asked for last year, since he said last year he could fund the Government and do everything he wanted to do for $76 billion less, and now this year he wants more. They discovered this magic money out there where the Congressional Budget Office decided that we were going to collect all this revenue. So the President said, ''Look, I need more spending.'' Now, that is one argument. It is a legitimate argument. I just do not happen to agree with him. I am saying, let us give it back to families. After all, that is where the money is coming from. Let families spend it. This is our vision. This is the Republican vision. It is America's vision.

A budget is about choosing between two competing visions. The budget before us is a clear vision: more Government. The budget before us is a budget that says, more Government is in the interest of the American people. The President may say the era of big Government is over, we may parrot those words, but this budget does not say the era of big Government is over. This budget says the era of big Government is permanent and it is expanding.

What my amendment says is, let us let families spend this new money instead of giving it to the Government to spend.

I know this is a controversial amendment. I hope my colleagues will support it. I do not suffer under any delusions, but I wanted to show my colors on this amendment. I want people to know there are at least a few people in the Senate who have not forgotten what we promised.

Mr. ASHCROFT. Will the Senator yield?

Mr. GRAMM. I will be happy to.

Mr. ASHCROFT. I say to the Senator, in this budget negotiation there seemed to be an impasse, and then all of a sudden it appeared there was a substantial additional block of money.

Now, is that money the result of people working more and paying more taxes?

Mr. GRAMM. Well, I hope that is what it is. But all we know is that the Congressional Budget Office came up with this estimate, that because of the strong economy that we have had in the last quarter, that looking into the future, we were going to collect $45 billion a year off as far as the eye could see. Now, to the extent they are right, it is coming because families are paying more taxes.

Mr. ASHCROFT. And people are working hard?

Mr. GRAMM. They are working harder. They are working longer.

Mr. ASHCROFT. Instead of rewarding people who work harder by letting then keep more of what they are earning, the approach is to take more of it and spend more on Government?

Mr. GRAMM. Basically what happened was that they said, ''Well, now that we've got all this money, let's let Government spend more of it.'' The President is actually asking for—and we are giving him—$76 billion more to spend for the same years that he said last year he had enough, but now because of this bird's nest on the ground, this new discovery of revenues, what is happening is we are getting ready to let the Government spend $76 billion more, but never once apparently did anybody say, ''Hey, maybe with this new money we ought to let families spend it.'' What my amendment says is, look, give the President everything he asked for last year, but do not go up another $76 billion simply because there is more money there. Let us give it back to working families.

Mr. ASHCROFT. To the people who have to earn it and pay the taxes.

Mr. GRAMM. The person who earned it will end up keeping more of it because with this we will guarantee that we have enough money—unlike the current bill which has a net tax cut of $50 billion—to fund a $500 tax credit for every child in a working family in America, which costs $105 billion, and capital gains tax cuts and changes in death duties. The problem is, we have $188 billion of promises and a $50 billion net tax cut. It is like trying to pour 188 pounds of sugar into a 50-pound bag. What we are doing here is, we are raising the tax cut by not letting Government spend this money so families can spend it.

Mr. ASHCROFT. It seems to me that what you have proposed is giving the President everything he asked for when he asked for it last year, before he saw this potential of a bigger pie. Certainly he knows how to ask largely and how to ask to meet the need. He certainly has no reticence about asking. With the additional potential for resources, when people earn more and develop more for this country, we ought to let the people have some of what they earn instead of saying, we will take that and spend it on Government, even if it means we have to adjust our—it occurs to me they are having to adjust their ambition bigger and bigger. The harder and harder the American people work, the idea is, the more the Government can spend as a result of it.

Mr. GRAMM. When they are working, they are not doing it so the Government can spend it. I think they are doing it so they can spend it.

Mr. ASHCROFT. Of course they are.

Mr. GRAMM. The tragedy is, 10 years ago, after taxes and being adjusted for inflation, the average working family made over $28,000 a year, $28,300. And 10 years later, after inflation and taxes, they are making $27,700. The average working family has less to spend today than they did 10 years ago. Government spending has grown every year for 10 years. And now, rather than letting working families keep more of what they earn, we are letting Government grow more.

Mr. ASHCROFT. Is it fair to say then, Government has taken the raise that people would have anticipated in the last 10 years, and they took it and spent it?

Mr. GRAMM. Yes. Again, if you believe that Government can spend it better than families, if you believe—some of our colleagues do—if you believe that Government knows what is

better for families, that Government is a good steward of their money, you might want to say, ''Well, these families might waste it. If we gave them this $500 tax credit, a family of four getting to keep $1,000 more to invest in their children and family, their future, they might make bad decisions,'' and leave it here with President Clinton and the trustworthy Congress, if you believe that this is a bad amendment.

Mr. ASHCROFT. If you believe that you may want to make a downpayment on a bridge someone wants to sell you in Brooklyn.

It is pretty clear to me, Government has not been the most efficient or effective way to deploy resources.

I want to thank the Senator. I thank him for yielding for this point of clarification.

I find very appealing the idea that we would let the American people, when they earn more, keep more. Families would rather spend it on themselves rather than send it here in hopes that something would happen with it here that might benefit their families.

I commend the Senator.

Mr. GRAMM. I thank the Senator.

Let me conclude and yield the floor, because I know others want to speak.

This is a pretty simple amendment. It says that we are giving the Government $76 billion more than the President said that he needed last year for these same years to do everything he wants to do from child health care to education.

Much of this spending increase occurred when we discovered miraculously—and I hope in fact we discovered it instead of making it up—that the future looked brighter. What I am saying is, do not give this additional $76 billion to Congress and the President. Give it back to families and let them invest it in their future and their children.

I believe this amendment represents a different vision than the budget before us. I think it represents a vision that believes that the future is going to be brighter if we have more opportunity and more freedom. What freedom is more basic than the right of families to spend their own money? Should Government grow every year even if working families see their budgets declining? I do not think so. So, as a result, I have offered this amendment. I want people to know that there is support for having Government tighten its belt a little so that families can loosen their belt a little. That is what the amendment is about.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. FAIRCLOTH addressed the Chair.

Mr. GRAMM. I yield to the Senator so long as he might speak.

The PRESIDING OFFICER. The Senator from North Carolina.

AMENDMENT NO. 321

(Purpose: To express the sense of the Senate that a nonrefundable tax credit for the expenses of an education at a 2-year college should be enacted)

Mr. FAIRCLOTH. First, I would like to send an amendment to the desk and ask for it to be considered and that it then be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. FAIRCLOTH] proposes an amendment numbered 321.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with and that the amendment be set aside.

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 CONCERNING TAX CREDIT FOR WORKFORCE EDUCATION AND TRAINING AT VOCATIONAL SCHOOLS AND COMMUNITY COLLEGES.

It is the sense of the Senate that, any legislation enacted pursuant to this resolution, contain a tax credit for expenses of workforce education and training at vocational schools and community colleges.

Mr. FAIRCLOTH. Mr. President, I rise today to speak on education. I usually don't agree with the President on policy. However, this is one occasion where I do agree. The President in this year's State of the Union Address, proposed that billions be spent on education in his ''Call to Action for American Education.'' One of the principles in this plan is his hope scholarship proposal. President Clinton proposes 2 years of a $1,500-a-year for college tuition, enough to pay for the typical community college.

I agree that we should give every adult American the opportunity to obtain the first 2 years of higher education. On January 21, I introduced S. 50 which provides for a $1,500-a-year tax credit for students attending two-year schools. S. 50 has the cosponsorship of the majority leader, Senator LOTT, and Senators CONNIE MACK, LARY CRAIG, HARRY REID and JIM JEFFORDS. Just last week, at the Republican National Committee annual dinner, House Speaker NEWT GINGRICH listed vocational training as one of the four top priorities for our budget resolution.

S. 50 will encourage workers in all age brackets to pursue an education beyond high school without incurring the costly expenses of attending a 4-year college. By improving the training and skills of our workers, we will create better jobs in manufacturing and technology throughout the United States. There is nothing more important to keeping competitive in the global marketplace.

As State commerce secretary for North Carolina, I attracted more than 500,000 jobs into North Carolina by strengthening our community college systems and offering custom training of workers in specific skills. In the past 8 years, North Carolina has been among the top three States in new-plant locations and gained a toehold in the film industry which now invests $2.5 billion a year in my State.

As we begin to see the impact of changes made to welfare in the last Congress, more people will be off of welfare and looking for work. This bill would provide the job skill training needed for these individuals to find gainful employment. Senator LOTT understands the importance of vocational training. So does Speaker GINGRICH. As discussions proceed in the budget resolution, let us please find money, within that $35 billion set out for education, to help community colleges. Community colleges help people find real jobs.

The PRESIDING OFFICER. The amendment is set aside.

Mr. FAIRCLOTH. Thank you.

AMENDMENT NO. 318

Mr. FAIRCLOTH. Mr. President, I would like to now speak very briefly on Senator GRAMM's amendment.

I think he has just reached to the heart of Government spending, and he did it very succinctly. There is $76 billion more that the President discovered he needed because by some mathematical manipulation we decided we had $76 billion more to spend. We discovered $76 billion; we spend $76 billion. Now, if we had discovered $176 billion, guess how much the President would have needed? $176 billion.

I just want to say that I strongly support the amendment of the Senator from Texas. I intend to speak on it further later. But I at this moment enthusiastically support it and will continue to speak on it at a later time when we have time.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM. I yield the Senator from Missouri additional time.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. Mr. President, thank you.

AMENDMENT NO. 322

(Purpose: To add enforcement mechanisms to reflect the stated commitment to reach a balanced budget in 2002, to maintain a balanced budget thereafter, and to achieve these goals without raising taxes)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT], for himself, Mr. GRAMM, Mr. COVERDELL, Mr. ABRAHAM, Mr. HELMS and Mr. FAIRCLOTH, proposes an amendment numbered 322.

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

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

The amendment is as follows:

At the end of title II, add the following:

SEC. . BALANCED BUDGET REQUIREMENT.

(a) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget (or amendment or motion thereto, or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would cause—

(1) total outlays for fiscal year 2002 or any fiscal year thereafter to exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress provide for a specific excess of outlays over receipts by a rollcall vote:

(2) an increase in the statutory limit on the level of the public debt in excess of the level set forth in section 101(5) of this resolution with respect to fiscal years 1998 through 2002 and for fiscal years after 2002 as set for fiscal year 2002 unless three-fifths of the whole number of each House provide for such an increase by a rollcall vote: or

(3) an increase in revenues unless approved by a majority of the whole number of each House by a rollcall vote.

(b) WAIVER.—The Congress may waive the provisions of this section for any fiscal year in which a declaration of war is in effect. The provisions of this section may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

(c) DEFINITION.—In this section:

(1) TOTAL RECEIPTS.—The term ''total receipts'' includes all receipts of the United States Government except those derived from borrowing.

(2) TOTAL OUTLAYS.—The term ''total outlays'' includes all outlays of the United States Government except for those for repayment of debt principal.

(3) INCREASE IN REVENUES.—The term ''increase in revenues'' means the levy of a new tax or an increase in the rate or base of any tax.

The PRESIDING OFFICER. The amendment is set aside.

AMENDMENT NO. 323

(Purpose: To limit increases in the statutory limit on the debt to the levels in the resolution)

Mr. ASHCROFT. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 323.

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

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

The amendment is as follows:

On page 45, strike line 2, and insert the following: ''exceed; or

''(3) any bill or resolution (or amendment, motion, or conference report on such bill or resolution) for fiscal year 1998, 1999, 2000, 2001, 2002 that would increase the statutory limit on the level of the public debt in excess of the level set forth in section 101(5) of this resolution with respect to fiscal years 1998 through 2002 and for fiscal years after 2002 as set for fiscal year 2002.''.

The PRESIDING OFFICER. The amendment is set aside.

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

AMENDMENT NO. 318

The PRESIDING OFFICER. Who yields time on the Gramm amendment?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I say to Senator GRAMM, let me compliment you on the expression of your philosophy this evening. I think you have heard me a couple times. I think perhaps it is a question of how much can we do and get it done? But I have a vision of the United States that I would explain to you in a way that is very new to me.

I did not grow up with this vision. I came to this place. I had been a public servant, and I kind of liked the idea so I said I will run for the Senate. I guess it was because in my State we had so few Republicans then that they looked around and said, well, that young guy just lost a race—thank God, it is the only one I ever lost—he is as good as any, why not ask him to run. So I ran. I came here as the first Republican in 38 years.

I was here for about 3 years when an announcement came that the King of Spain—remember the young man, King Carlos of Spain, a magnificent transition figure in Spanish modern times. He had been a king, well-taken care of, no idea, as I thought, of freedom because he lived under a dictator, right, for all these years. Then, all of a sudden the dictator goes away, and they say, ''You are in charge, King.''

Then they said, ''Why don't you come over and talk to the Congress.'' So he came over here. I remember sitting in my office as if it were yesterday, and I said, ''I don't know whether I ought to go.'' As you already know, I like to work. I was sitting around my desk, in my early years, thinking it was far more important to call to New Mexico or write a letter to my constituents. Then something said, ''You know, New Mexico has a lot of Spanish people in it. You know a lot of them. Maybe you ought to go because he might say something about the culture and you may learn something.'' Well, Senator GRAMM, I went. He gave an eloquent speech. I learned nothing about the Spanish culture. I knew more about that than what he talked about up there—he may know more than I—that he alluded to.

He said something very intriguing that I had trouble with and I did not believe it for a while. He said all significant human achievement occurs when a man or a woman is free. I wrote that down and took it back to my office, and I said how could that be true? Michelangelo was a great achiever, and I ticked off in my mind a number of others that I had heard of in history that achieved a lot, and there was not any freedom around to speak of. I was wrong. There was very little freedom, but the great achievers were made free by selection. Somebody with a lot of money said, ''I want to make this talented person free and I would like them to achieve.''

Frankly, I got a picture of history in my mind right then, but the reason the world had achieved so little until we had more and more freedom of individuals was just that. There were not enough people free to be enterprising, to be innovative, because society did not let them be free. So what I ended up concluding was a different image of the United States where I concluded that we have been superachievers because we have been compared to the rest of the world. In history, we made more and more people free, we got rid of slavery, we made them free. As we moved along, we did civil rights and we made more people free.

I began to understand as I worked here that there was something else and that was if you worked and made a profit in your business or a good salary in your work that freedom was to be measured by how much you had of that money and that achievement in wealth to use in whatever way you wanted. I came to the conclusion, once again, that our greatness in achievements, and our achievements are everywhere, was because we were leaving people with resources that they earned, to be free and take a chance. Some failed but many succeeded.

Now, my 25 years here has not diminished that idea one bit. In fact, I believe that I can even make a case. You know how hard I work for the mentally ill. One day we had an exchange on the floor and tonight I am apologetic because I said to you, ''It is too bad you do not know anything about the mentally ill,'' and you said, ''Yes, I do,'' and you told me about somebody in your family. So I was not being fair that day. I was being very arrogant.

But I can make an argument that if mentally ill people is how I think of freedom as the achievement mechanism for America collectively, if a mentally ill person can be cured of the devil in them, which people used to think is some kind of a devil that is a disease, you can cure 3 million people, America has more of a chance for even more achievement, because you never can tell which people you make free are going to be achievers.

So you see, you have a notion here in your budget, your visionary budget, that you would like to leave more money in the hands of individuals. If I read you right, it is essentially to be free, it might even be free to make mistakes. I have talked to you about that, and you said sure, sometimes you just have to let people make mistakes, but let them make it while they are trying to do their thing with their resources.

You probably had a much earlier vision and a more profound understanding because you are an economist and

you understand capitalism so well, but I have been pleased to learn from you. Capitalism is the essence, when coupled with freedom, is the essence of opportunity because the capital works to achieve and the individual works to achieve, and when you marry them up you have an economy that is just hell bent for success and growth, and when you squeeze it, there are a lot of ways to squeeze.

People wonder whether regulations have anything to do with freedom. We do not explain it very well. It has a lot to do with freedom because the extent to which you are regulated, you have taken a bit of freedom away from someone or something.

Now we would both agree in a democratic capitalist society you cannot be free to do everything and anything. We pride ourselves on having laws, but what people do not understand is if you have regulations that are $50 billion more than they need to protect the public, you have taken away $50 billion worth of freedom somewhere in this country to grow and prosper and energize. So I understand that and I understand when you tax people in the wrong way and when you tax them too much the very same thing happens.

In fact, I believe you, with your expertise as a Ph.D. in economics, can probably find times in our economic history when we taxed things so wrongly that you could actually prove that we went in the wrong direction. I am reminded of one, when in a fit of lunacy we put a big tax on these little boats. What happened? It was amazing, like you and I told them, but they said, ''No, no, we are taxing these rich people that own boats.'' Well, within 18 months we had our friends down here from those States saying, ''Our workers are out of jobs because the people who own the boats decided you are taxing them so much they do not get the boats anymore.'' It took a long time but we finally repealed that. To be honest, people have to have a degree of freedom or they will not buy a boat they want. They will say if you tax me too much I will go without, and there go workers and businesspeople.

My problem is, Senator, that I do not believe with President Bill Clinton in the White House that we can get that budget, that consent of yours, that we could get it adopted and implemented. I think we almost tried something like this, you and I together, maybe even a little more, and we did not get anywhere. That does not mean you should ever stop trying what you are doing and expressing your vision, but frankly, I do not believe we can get it. I think you will know later this evening how many votes you will get for your proposal, and it is a little bit of an indication of what I felt when I started working this year. One of my better friends said they would finally say to the Senators who might not have been there, they said, ''DOMENICI said to me last year unless we have some kind of assurance out of the White House I am not sure I want to do a totally Republican budget because I am not sure we are getting anywhere.''

We are having a great exercise in doing what you and I are doing on the floor and maybe making some sense to a few million but we do not get it done, so I will not even take time to go through how much more we would have to reduce various programs so that Senators might know. I will just say that there would be a substantial reduction in the discretionary accounts of our country almost across the board and almost every one if your amendment was adopted over what we agreed to with the President.

I am firmly convinced, Senator GRAMM, that if we produced appropriations bills at those levels, I do not think we can get there because I do not think we can get that kind of agreement out of either case, and if we were to adopt them, I believe you would have a veto and we would be back as we have been before. So I chose as one who probably does not understand as deeply as you do what economic freedom is, but I think I have shown you today in the few minutes on the floor that I think I am getting it. It has taken me 65 years, but I think I am getting it. I think what we did is the best we can do.

Frankly, I am going to say what I said before on the previous Kennedy-Hatch amendment. I believe it violates the budget agreement that we entered into, except I would not expect Senator PHIL GRAMM to read the agreement and say it does not. I think you would read it as the absolute man that you are and you would say, right upfront, it does. You would not try to make some argument that, well, it does not because it is this or that. It just does.

Frankly, when I find amendments that do that, I hope you understand I am obligated to resist them if I feel comfortable and confident we are going to get there under the budget that you do not like. I totally appreciate every reason you give. I think it is better than not having a budget this year and I think, also, Senator, that unless we have some great experience that I do not contemplate, understanding what I can about the tea leaves, that we will actually balance before 2002, because we have used such economic assumptions that are so conservative that I believe we are going to be off again each year $40 billion or $50 billion, just as we have been the last 3 or 4 years when the economy helped this curve.

Now, if we had a recession that lasted 3 years, all bets are off, but I assume even in the budget you propose we would be off the mark, there, too, if we had a recession for 3 years and we take into account what you economists do when you do multiple years of economic assumptions. You build the potential for recession into being a more conservative versus a more generous set of economic assumptions. That is what I have learned from the CBO as to how they build a recession into their numbers.

Now, if anybody wants to ask how much more various programs will probably be reduced under Senator GRAMM's proposal, I will look it up and go over and talk to you and see if I am right, but I believe you, again, are willing to stand up and say it would be substantial compared to this budget because you find enough savings in your approach to then use those savings and add on to the tax cuts that we have.

Fellow Senators, I hope you understand that I have not for 1 minute this evening on the floor been critical of PHIL GRAMM and those who feel like he does. It is just that most of us who will be supporting this budget feel the same way, most of the Republicans who support the basic budget, feel the same. They think there are two ways to get there and that the bipartisan approach is more apt to be successful because it is more apt to happen. It will not necessarily be more successful as an instrument in accomplishing a vision, but it probably will occur.

With that, I say to the Senate, my instructions from our leader are that we not take any longer time than you need and perhaps my ranking member, and then we would proceed to a vote as soon as possible.

I yield the floor.

Mr. GRAMM. Mr. President, I want to thank Senator DOMENICI.

Let me simply reiterate a couple points I made early on. First of all, I am not claiming for a minute that even though we are spending $76 billion more than the President asked for last year—I am simply trying to take us back to a budget that last year he thought was adequate. There is no doubt about the fact that $76 billion is going to do a lot of things for a lot of people.

I am not claiming there will not be programs that would have benefited with the $76 billion that will not be losers under my amendment. What I am saying is that I believe that working families can spend the $76 billion better than the Government can spend it, and that is really the choice that my amendment proposes.

Let me also say to Senator DOMENICI that I am a firm believer in the old Jefferson adage that good men with the same facts often disagree. I think one of the good things about the Senate when we follow our rules—and sometimes we do not always do that here, we have certainly done it here today, I think—is that we can talk about what we believe in and what we want to happen, but the fact that people disagree with us does not in any way diminish their belief or say that we are necessarily right and they are wrong. Our system is a system of competing visions.

I say going back to the point about freedom. I am very concerned when average working families find the Federal Government taking the amount of their income that is taken today in payroll taxes and income taxes. I am also concerned that if we do not do

something about Medicare and if we do not do something about Social Security, in 25 years the average taxpayer in America will be sending about 50 cents out of every dollar they earn to Washington, DC. And I think you reach a point where the tax rate is so high that it does infringe on your freedom.

Are we still the same America that Senator DOMENICI grew up in and that I grew up in if the Federal Government is taking 50 cents out of every dollar earned by the average family 25 years from now? That is the future that we are looking at if you do not dramatically change Government policy.

My objective today is simply to offer an alternative. I am not for the underlying budget. It is clear that the adoption of my amendment would dramatically change that budget. And I want to change it, which is why I have offered the amendment. I don't deceive myself into believing that this is a majority view today. But I do believe it is a majority view in the country. And I believe that it will ultimately be a majority view here in American Government.

It is obviously a question that we all have to ask ourselves. When you have a divided Government, what are the functions of the two parties? Are the functions of the two parties to try to get together and make an agreement? Or are the functions of the two parties basically delineated as presenting two competing visions for the future, and then letting America choose the clearer vision, presenting competing ideas and letting America choose the superior idea?

These are obviously things that people have contemplated, thought about, and prayed over for many years in the U.S. Senate.

I choose today to offer an alternative to the budget because this budget does not represent the vision that I believe in. This budget does not produce the America that I want produced. I believe that it is unwise in the America of 1997 to give the Government another $76 billion to spend on discretionary programs when that money could go to hard-working American families to spend on their children and invest in their future.

But it is really a choice between two competing alternatives with the overlay that Senator DOMENICI talked about of where we are with the Democrat President.

My objective in offering this amendment—and I thank the Senator for his kindness—was to simply give people an opportunity to know that there is an alternative, that there are people who believe that this budget does not move us in the right direction, and that the right direction is less Government and more freedom. I think the fundamental way we find less Government and more freedom is by having Government spend less so that people can spend more.

I don't think anybody is in doubt about where they stand on this amendment.

So I yield the floor.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from New Jersey.

Mr. LAUTENBERG. Madam President, I listened with interest to the discussion that was going on regarding the amendment that we are now considering. It is a surprise. I shouldn't say that. It is not a surprise. But there is an anomalous difference between where we were when we were talking about Hatch-Kennedy and the response from those who were opposed when they were talking about how inconsistent it was with what we had.

We had an agreement. I use the term ''hammered out'' because ''hammered out'' seems like it was really tough. And it was tough to get this agreement. It took a lot of giving, it took a lot of review, and a lot of hard thinking to get the consensus that we arrived at.

It was said that it is ''inconsistent.'' How can you do it after all the work that was done with the President and ''we,'' and Senator DOMENICI and ''I,'' and the people from the House, the chairman of the Budget Committee and the ranking member of the Budget Committee sitting there night after night for something like 6 weeks, long, long days? Finally we get this agreement. And there was shock almost, and people were horrified by the notion that Senators HATCH and KENNEDY wanted to provide another $20 billion for children's health and tax tobacco and cigarettes to do it. The debate was I would say fairly long, fairly arduous at times, and fairly strong in terms of the exchange.

But here we have now a proposal after we labored so hard to get nondefense discretionary up to a point that was acceptable.

Once again I do not want to go through the whole litany of what the budget consensus constitutes—some give and take, and some got taken. But we are at this point now when suddenly we are talking about increasing the net tax cuts for the first 5 years from $85 billion to $161 billion by taking it out of nondefense discretionary. I hope that this wouldn't get a lot of consideration when it comes time to vote.

I heard my good friend and distinguished chairman of the Budget Committee say that President Clinton isn't the kind of President under which you could do something like this, the thought or the inference being, ''Well, this is too good. This is too positive.''

Madam President, I am not an economist by profession, though my degree from Columbia is in economics. But I learned economics the hard way. I started one of America's great companies, modestly I say. And I started one of America's greatest industries, the computing industry. My name is in the hall of fame in Dallas, TX, for having been a member of information processing pioneers. So I learned it by doing it. I also learned it by reading.

I remember the days of a very popular President, President Reagan. Under his leadership, about which people were so euphoric, the tax cut that was then introduced was in present terms something like $12.8 trillion. That was supposed to be evidence of how good the supply side would be and what eventually would trickle down into the economy which would stimulate things, and everybody would be kind of happy thereafter.

But what we saw instead was the incredible growth in the debt in this society of ours with annual deficits just booming, and total debt skyrocketing. We are finally working our way out of it. And the reference is that this President wouldn't permit it. When this President took over the debt, the annual deficit was $290 billion. It is projected to be $67 billion, now the third projection by the Congressional Budget Office, that neutral body that is targeting their sights on what is accurate, and what is honest and what is fair. They have changed their mind three times in the last 6 or 7 months.

People are working at more new jobs created than in almost any period I think—I will say almost in any period of history. Unemployment is at a historic low. Inflation is at a very stable rate. All signs are pretty darned good.

We ''hammer out'' this agreement laboring all those hours, people getting angry at one another at times but finally agreeing. I shouldn't put the focus on ''angry.'' Once in a while tension would creep in. But essentially it was a debate or a negotiation conducted with the best of intentions. The chairman of the Senate Budget Committee and I, it is fair to say, worked very well together, as did our colleagues from the House. We were determined to try to solve the problem and not get the temperature up too high.

We are here now. After all of that, and after the discussion we had throughout the day today about the violation of the consistency of the budget agreement, and now we are looking at what I think is a gross violation—if one can term it a violation—about changing not only the nondefense discretionary but increasing the tax cutoff over which there was much labor.

A lot of people on this side did not want to see a major tax cut. As a matter of fact, many of them didn't want to see any tax cut. But it was understood that in the context of an agreement you sometimes do things that you wouldn't otherwise do. If you are working alone you can do anything you want. If you own the company you can do anything you want. If you are the CEO you can do almost anything you want. But when you get here we have to depend on the good will and the good judgment of others in order to arrive at agreement. Thus, we are faced with what I think is a difficult but nevertheless honorable consensus that was arrived at.

The notion that we might change it at this late hour, change it by taking

away nondefense discretionary, which I frankly think is underfed in some ways. Defense discretionary in my view is overfed in some ways. I just hope that our colleagues when it is time to vote—and I hope that will be soon—will reflect on the inconsistency factor that was considered so delicate and so essential before to maintain consistency that we will maintain consistency here, and that this amendment will be defeated.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, we are going to try to do a little business even before we vote.

Senator GRAMM has another amendment that we are going to take up shortly that is acceptable, and Senator BROWNBACK has one that has been agreed to.

But I would like to announce to the Senate that what we are going to try to do is to vote at 6:30, and Senator GRAMM has indicated that we will try to do that and work on that together. I would like then to ask unanimous consent that when that vote is finished Senator STROM THURMOND be allowed to speak for 10 minutes, Senator ROBERT BYRD be allowed to speak for up to 20 minutes thereafter, and Senator MOSELEY-BRAUN has an amendment to send up. We are not going to take an amendment to debate it until it is on the list. We are putting amendments on lists and agreeing to tell people that they can take them up.

Mr. LAUTENBERG. I do not know if there is an exchange of lists or not. Was something missed in the mechanics process?

Mr. DOMENICI. I was just trying to make it kind of orderly so everybody would know.

Mr. LAUTENBERG. I agree to that. But if it were very orderly, then Senator MOSELEY-BRAUN would be heard right now. But I certainly want to defer, if she doesn't mind.

Mr. DOMENICI. That isn't true. But anyway I am not going to argue about it.

Would Senator GRAMM agree by unanimous consent to set his amendment aside temporarily while Senator BROWNBACK offers an amendment that will be accepted, and then we will return to the Senator from Texas?

The PRESIDING OFFICER. Is there objection to the request?

Mr. GRAMM. Reserving the right to object, I wanted to ask a question.

We are finished with the debate on the tax amendment. We had a sense of the Senate about how we fund disasters in the future, which I thought had been agreed to. What I would like to do, if we can set it up by unanimous consent, is deal with that one, and then debate and vote on the tax amendment. But I would be happy to let Senator BROWNBACK go with his amendment and then come back. If we can dispose of the sense-of-the-Senate resolution, I would like to get it finished.

Mr. DOMENICI. He is in order under the previous agreement. Senator GRAMM's amendment was up next. And the amendment that he is referring to we thought we would accept. But I understand that the minority is not going to accept it.

So I would think the amendment would be in order and would be the next item after we dispose of the amendment that is pending.

Did Senator BOND have something?

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Madam President, I have two amendments that I would like to file and have set aside. Both of them are sense-of-the-Senate amendments. I ask unanimous consent that the pending business be set aside so that I may introduce and set aside two amendments.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri?

Mr. DOMENICI. No objection.

Mr. CONRAD. Reserving the right to object, I will not object. But I would like to get the attention of the chairman and the ranking member.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I would like to get the attention of the chairman and the ranking member for a moment.

I do not want to get in the way of the Senator from Missouri to have his amendments considered. I would like to get in the queue in terms of being able to make a presentation on the budget tonight. I understand that the chairman and ranking member were entering into agreements with respect to that.

Mr. DOMENICI. I want to include the Senator. I told the Senator a while ago, and I would like to see if we could do one thing first and then see what we can fit in. But I would like to ask unanimous consent that at 6:30 we proceed to vote on or in relation to the pending Gramm amendment and no other amendments be in order to the Gramm amendment prior to the vote.

The PRESIDING OFFICER. Is there objection to——

Ms. MOSELEY-BRAUN. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. I thank the Chair. All day now I thought there was agreement that I would follow Senator GRAMM after his amendments, one amendment and one sense-of-the-Senate resolution. Upon the conclusion of those activities, then we would take up the matter of my amendment. I have patiently waited all day. I obviously would have no objection to the statement Senator THURMOND would like to make and Senator BYRD, but certainly I would like my amendment to be the next amendment taken up at the conclusion of the vote on Senator GRAMM.

Mr. DOMENICI. I think we have a misunderstanding. We thought we were accommodating Democrats by not having amendments for a while because they have some event. But if that is not the case, then what we are going to do is follow some kind of order here. If we can get this one agreed to, we will vote at 6:30. Then I would ask that the next amendment be the second Senator GRAMM amendment, and then, Senator, that your amendment be in order thereafter.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the Senator from New Mexico?

Mr. CONRAD. Reserving the right to object.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DOMENICI. We will get the Senator next.

Mr. CONRAD. Can I get included in this train so when the train leaves the station, I am on board?

Mr. DOMENICI. Yes. Might I just ask, we have already asked that the train start with Senator THURMOND, who has 10 minutes, Senator BYRD who has up to 20 minutes to speak—15 to speak. Let us leave it up to 20, and now I would ask, how long would the Senator like to take?

Mr. CONRAD. Twenty.

Mr. DOMENICI. The Senator be allowed to speak for 20 minutes. It is my understanding that if we agree to that, the sequence would be we finish the Gramm amendment and vote on it at 6:30. If we can get any work done in here in the meantime, we will and take your last, second amendment, and then when the Senator has finished——

Mr. LAUTENBERG. If I may inquire of the chairman.

Mr. DOMENICI. Sure.

Mr. LAUTENBERG. Why are we doing two Gramm amendments in a row? As far as I know, there was no understanding. I would be happy to hear what the unanimous-consent agreement was, just to refresh my memory.

Mr. GRAMM. There was a unanimous consent.

Mr. DOMENICI. We can do that. I just have been telling Senator GRAMM for a long time—he had three. We accepted one. We thought this other one was going to be accepted, and we were going to debate one. I think we waste more time if we argue the point than go ahead.

Mr. LAUTENBERG. You told Senator GRAMM what you told him, and I told Senator MOSELEY-BRAUN what I told her and somehow or other there is a miscue.

Mr. DOMENICI. Do you mind waiting?

Mr. GRAMM. We had a unanimous-consent request whereby I had stopped, and we had about 20 people come over and do all kinds of things.

Mr. LAUTENBERG. That is true.

Mr. GRAMM. And I asked unanimous consent that they might be recognized for that purpose. But then that I would be re-recognized to deal with these two amendments. Now, I am not trying to

hog the floor. I thought that the amendment that had to do with paying for disaster was going to be accepted. Senator DOMENICI said he was for it. I thought people would just take it. Now, all of a sudden, there is some opposition to it. I think we can deal with it very quickly. Why don't I just set a time limit on it of 10 minutes and then we can either voice vote it or we can have a rollcall vote.

Mr. LAUTENBERG. Why don't we do this. If we vote on the present Gramm amendment, the one that is being presented at this time, why don't we vote on that and give us a chance to take a look at the other one. And I appreciate the misunderstanding of the Senator from Texas because there was some confusion. He was gracious about accepting these UC's, and I absolutely agree with that.

I thought we were in the process of alternating sides. But I would ask the indulgence of the Senator from Illinois.

Would the Senator from Illinois agree to having a vote on the Gramm amendment that is presently pending, and give us a chance to review the other one and consider it for 10 minutes, if that is OK. Then I would propound a unanimous-consent agreement to do just that, or do we just have an understanding to proceed that way?

Mr. DOMENICI. I think we have enough understanding to do that.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. May I ask the status of the unanimous consent request that began this whole process?

The PRESIDING OFFICER. There are several unanimous-consent requests that are pending.

The Senator from Missouri made a unanimous-consent request that we set aside the amendment currently pending.

Mr. BOND. For the purpose of presenting two amendments which I would then ask be set aside simply to comply with the filing requirement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri?

Without objection, it is so ordered.

Mr. BOND. I thank the Chair. I thank my colleagues.

AMENDMENT NOS. 324 AND 325

Mr. BOND. I send two amendments to the desk, one a sense-of-the-Senate resolution regarding protection of children's health on behalf of myself, Mrs. MURRAY, Mr. GORTON, and Mr. ASHCROFT, reflecting on the disproportionate share of hospital payments; a second sense-of-the-Senate resolution on behalf of myself, Mr. CHAFEE, Mr. ABRAHAM, Mr. REID, Mr. COCHRAN, Mr. GRAHAM, Mr. GREGG, and Mr. SESSIONS, asking that the Senate reestablish linkage between the revenues deposited into the highway trust fund and transportation spending from the trust fund. I send these to the desk and ask they be filed and I ask that they may be set side.

The PRESIDING OFFICER. The clerk will first read the amendments.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes amendments numbered 324 and 325.

Mr. BOND. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 324

(Purpose: To express the sense of the Senate regarding the protection of children's health)

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE PROTECTION OF CHILDREN'S HEALTH.

(a) FINDINGS.—The Senate makes the following findings:

(1) Today's children and the next generation of children are the prime beneficiaries of a balanced Federal budget. Without a balanced budget, today's children will bear the increasing burden of the Federal debt. Continued deficit spending would doom future generations to slower economic growth, higher taxes, and lower living standards.

(2) The health of children is essential to the future economic and social well-being of the Nation.

(3) The medicaid program provides health coverage for over 17,000,000 children, or 1 out of every 4 children.

(4) While children represent ½ of all individuals eligible for medicaid, children account for less than 25 percent of expenditures under the medicaid program.

(5) Disproportionate share hospital (DSH) funding under the medicaid program has allowed States to expand health care coverage to thousands of uninsured pregnant women and children. DSH funding under the medicaid program is essential for current and future coverage of these uninsured populations.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that the health care needs of low-income pregnant women and children should be a top priority. Careful study must be made of the impact of medicaid disproportionate share hospital (DSH) reform proposals on children's health and on vital sources of care, including children's hospitals. Any restrictions of DSH funding under the medicaid program should not devastate current State medicaid coverage of children and pregnant women, or hinder health care coverage expansion opportunities for these uninsured populations.

AMENDMENT NO. 325

(Purpose: To express the sense of the Senate concerning the Highway Trust Fund)

At the appropriate place in title III, insert the following:

SEC. . SENSE OF THE SENATE CONCERNING HIGHWAY TRUST FUND.

(a) FINDINGS.—The Senate finds that—

(1) there is no direct linkage between the fuel taxes deposited in the Highway Trust Fund and the transportation spending from the Highway Trust Fund;

(2) the Federal budget process has severed this linkage by dividing revenues and spending into separate budget categories with—

(a) fuel taxes deposited in the Highway Trust Fund as revenues; and

(B) most spending from the Highway Trust Fund in the discretionary category;

(3) each budget category referred to in paragraph (2) has its own rules and procedures; and

(4) under budget rules in effect prior to the date of adoption of this resolution, an increase in fuel taxes permits increased spending to be included in the budget, but not for increased Highway Trust Fund spending.

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

(1) in this session of Congress, Congress should, within a unified budget, change the Federal budget process to establish a linkage between the fuel taxes deposited in the Highway Trust Fund, including any fuel tax increases that may be enacted into law after the date of adoption of this resolution, and the spending from the Highway Trust Fund; and

(2) changes to the budgetary treatment of the Highway Trust Fund should not result in total program levels for highways or mass transit that is inconsistent with those assumed under the resolution.

Mr. BOND. I ask they be set aside.

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

The Senator from New Mexico.

Mr. DOMENICI. Madam President, I really do not like the Senate to be in the state of confusion that it is in. This kind of makes me feel as if I am not doing my job here. So could we start over and see if I could straighten matters out so that at least I do not feel embarrassed about having everybody talking at the same time.

I would like for the rest of the evening if somebody here in the management side of this could invent some streamlined method of letting people introduce these amendments that are nothing more than conforming UC requests that said you have to file them tonight. Maybe you have a code word for it and we just say this is *X* amendment and we will get it done so people do not have to read them. And if you get a unanimous-consent that kind of does that for us, we would both appreciate that, I assume.

Mr. LAUTENBERG. Absolutely.

Mr. DOMENICI. Having said that, I want to ask that by unanimous consent, any unanimous consent that I heretofore received in the last 20 minutes be set aside.

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

Mr. DOMENICI. Now I ask unanimous consent that a vote occur on Senator GRAMM's amendment and the one that has been debated, either on it or related to it, at 6:30.

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

Mr. LAUTENBERG. Reserving the right for the moment, I intend to propose to table the Gramm amendment and do not want to be excluded from that or precluded by it.

Mr. DOMENICI. You are not.

Now, Madam President, let me ask further that immediately after that, Senator BROWNBACK be recognized to offer an amendment which is going to be accepted and has been agreed on both sides.

Mr. LAUTENBERG. And I have unanimous consent that Senator KOHL be permitted to introduce an amendment for 2 minutes.

Mr. DOMENICI. It is one of these code amendments.

Mr. LAUTENBERG. It has the code. The code is zip.

Mr. DOMENICI. All right. That will be the next item of business. OK.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from New Mexico that the Senator from Kansas be recognized following the vote on the Gramm amendment?

Ms. MOSELEY-BRAUN. Reserving the right——

Mr. DOMENICI. The Senator is next. I am going to come right to her.

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

Mr. DOMENICI. All right. Now, I say to the Senator from Texas, would you mind taking your second amendment and setting it aside and let Senator MOSELEY-BRAUN go and then you follow her?

Mr. GRAMM. That would be fine.

Mr. DOMENICI. OK. So thereafter, Senator MOSELEY-BRAUN would be recognized for her amendment, and then Senator GRAMM for his second amendment that everybody knows about. We might be able to work it out. And then when they are completed, that we then stack the votes until 9 o'clock and that subsequent to the debate on those amendments, they would be set aside and the following three Senators would be permitted to speak on the floor of the Senate: Senator BYRD, 15 minutes——

Mr. BYRD. When would that be?

Mr. DOMENICI. That would probably be—I am just going to guess with the Senator, but I am thinking it would be like quarter of 8.

Mr. BYRD. Quarter of 8. I could have had my speech made.

Mr. DOMENICI. I know. We are just not as good at putting things together.

Would the Senator want to do that sooner?

Mr. BYRD. I will only need 12 or 15 minutes.

Ms. MOSELEY-BRAUN. Reserving the right to object, I was not clear whether or not the Senator's request included a request to stack votes on these amendments. I would have to object to that, to stack the votes.

Mr. DOMENICI. I did not hear the Senator.

Ms. MOSELEY-BRAUN. I would object to the stacked votes.

Mr. DOMENICI. I will tell you the leader wanted the votes stacked, so if you do not want to accept it, I will stand here on the floor and speak until 9 o'clock. I do not know why we could not agree to stack the votes.

Mr. LAUTENBERG. I also have to reserve the right to consult with our leader to see if we could not make that a little bit later than 9 so that we can——

Mr. DOMENICI. Madam President, I would ask that all my unanimous-consent requests be vitiated and we proceed to a vote, except the one that we will vote at 6:30 on Senator GRAMM's amendment. And then we will stand around here and try to work it out.

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

AMENDMENTS NOS. 326, 327, AND 328

Mr. MCCAIN. Will the Senator yield?

Mr. DOMENICI. I will be pleased to yield.

Mr. MCCAIN. I ask unanimous consent to send to the desk three amendments.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. No objection.

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

Mr. MCCAIN. I yield the floor.

The PRESIDING OFFICER. The clerk will report the amendments.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes amendments numbered 326, 327, and 328.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 326

(Purpose: To express the sense of the Senate regarding truth in budgeting and spectrum auctions)

At the appropriate place in the resolution, insert the following:

SEC. . SENSE OF THE SENATE.

(a) The Senate finds that:

(1) The electromagnetic spectrum is the property of the American people and is managed on their behalf by the Federal Government;

(2) The spectrum is a highly valuable and limited natural resource;

(3) The auctioning of spectrum has raised billions of dollars for the Treasury;

(4) The estimates made regarding the value of spectrum in the past have proven unreliable, having previously understated and now overstating its worth;

(5) Because estimates of spectrum value depend on a number of technological, economic, market forces, and other variables that cannot be predicted or completely controlled, it is not possible to reliably estimate the value of a given segment of spectrum; therefore,

(b) It is the Sense of the Senate that as auctions occur as assumed by this Resolution, the Congress shall take such steps as necessary to reconcile the difference between actual revenues raised and estimates made and shall reduce spending accordingly if such auctions raise less revenue than projected.

AMENDMENT NO. 327

(Purpose: To express the sense of the Senate with respect to certain highway demonstration projects)

At the appropriate place, insert the following:

SEC. . HIGHWAY DEMONSTRATION PROJECTS.

(a) FINDINGS.—The Senate finds that—

(1) 10 demonstration projects totaling $362 million were listed for special line-item funding in the Surface Transportation Assistance Act of 1982;

(2) 152 demonstration projects totaling $1.4 billion were named in the Surface Transportation and Uniform Relocation Assistance Act of 1987;

(3) 64 percent of the funding for the 152 projects had not been obligated after 5 years and State transportation officials determined the projects added little, if any, to meeting their transportation infrastructure priorities;

(4) 538 location specific projects totaling $6.23 billion were included in the Intermodal Surface Transportation Efficiency Act of 1991;

(5) more than $3.3 billion of the funds authorized for the 538 location specific-projects remained unobligated as of January 31, 1997;

(6) the General Accounting Office determined that 31 States plus the District of Columbia and Puerto Rico would have received more funding if the Intermodal Surface Transportation Efficiency Act location-specific project funds were redistributed as Federal-aid highway program apportionments;

(7) this type of project funding diverts Highway Trust Fund money away from State transportation priorities established under the formula allocation process and under the Intermodal Surface Transportation and Efficiency Act of 1991;

(8) on June 20, 1995, by a vote of 75 yeas to 21 nays, the Senate voted to prohibit the use of Federal Highway Trust Fund money for future demonstration projects;

(9) the Intermodal Surface Transportation and Efficiency Act of 1991 expires at the end of the Fiscal Year 1997; and

(10) hundreds of funding requests for specific transportation projects in Congressional Districts have been submitted in the House of Representatives.

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

(1) notwithstanding different views on existing Highway Trust Fund distribution formulas, funding for demonstration projects or other similarly titled projects diverts Highway Trust Fund money away from State priorities and deprives States of the ability to adequately address their transportation needs;

(2) States are best able to determine the priorities for allocating Federal-Aid-To-Highway monies within their jurisdiction;

(3) Congress should not divert limited Highway Trust Fund resources away from State transportation priorities by authorizing new highway projects; and

(4) Congress should not authorize any new demonstration projects or other similarly-titled projects.

AMENDMENT NO. 328

(Purpose: To express the sense of the Senate that the revenues generated under legislation described in section 207 should not be appropriated before the enactment of legislation to reauthorize and reform the National Rail Passenger Corporation)

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING AMTRAK.

It is the sense of the Senate that any revenues generated to finance an intercity passenger rail fund under section 207 of this resolution shall not be appropriated to the National Rail Passenger Corporation until such time as legislation has been signed into law to reauthorize and reform the National Rail Passenger Corporation.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Madam President, if all this has come apart, I would like to remind the Chair that when I recognized Senator DORGAN and the cast of thousands here, in that unanimous-consent request was the request that we first consider, we deal with two amendments of mine, one that I thought was

agreed to and one that I knew was going to be somewhat controversial. I just simply want to reaffirm, if all these other deals are off, that that unanimous-consent request is still there, and that after this vote the pending business would be my amendment.

Now, I am perfectly willing to let the Senator from Illinois go before me, but if that is not going to work out, I want to go ahead and claim the right that I had under that unanimous-consent agreement.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I concur with that.

Mr. LAUTENBERG. I wonder if we can just take a minute to confer with our leader.

AMENDMENT NO. 318

Mr. LAUTENBERG. Have the yeas and nays been ordered on the Gramm amendment?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. LAUTENBERG. I move to table the Gramm amendment.

The PRESIDING OFFICER. Is there a sufficient second?

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

The PRESIDING OFFICER. There is a sufficient second on the motion to table.

Mr. LAUTENBERG. And the yeas and nays are ordered. Is that correct?

The yeas and nays were ordered.

Mr. DOMENICI. The time has come for a vote.

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is on agreeing to the motion to table the amendment. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Idaho [Mr. KEMPTHORNE] is necessarily absent.

The result was announced—yeas 68, nays 31, as follows:

[Rollcall Vote No. 77 Leg.]

YEAS—68

Akaka	Feingold	Lott
Baucus	Feinstein	Lugar
Bennett	Ford	Mikulski
Biden	Frist	Moseley-Braun
Bingaman	Glenn	Moynihan
Bond	Gorton	Murkowski
Boxer	Graham	Murray
Breaux	Grassley	Reed
Bryan	Hagel	Reid
Bumpers	Harkin	Robb
Byrd	Hollings	Roberts
Chafee	Inouye	Rockefeller
Cleland	Jeffords	Sarbanes
Cochran	Johnson	Smith (OR)
Collins	Kennedy	Snowe
Conrad	Kerrey	Specter
D'Amato	Kerry	Stevens
Daschle	Kohl	Thompson
DeWine	Landrieu	Torricelli
Dodd	Lautenberg	Warner
Domenici	Leahy	Wellstone
Dorgan	Levin	Wyden
Durbin	Lieberman	

NAYS—31

Abraham	Campbell	Faircloth
Allard	Coats	Gramm
Ashcroft	Coverdell	Grams
Brownback	Craig	Gregg
Burns	Enzi	Hatch
Helms	McCain	Shelby
Hutchinson	McConnell	Smith (NH)
Hutchison	Nickles	Thomas
Inhofe	Roth	Thurmond
Kyl	Santorum	
Mack	Sessions	

NOT VOTING—1

Kempthorne

The motion to lay on the table the amendment (No. 318) was agreed to.

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

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

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. DOMENICI. Madam President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator from West Virginia has the floor.

Mr. BYRD. Madam President, I propound a parliamentary inquiry. There was some confusion about the unanimous-consent requests that were made just before the vote and as to whether or not some of those requests have been agreed to and remain to be fulfilled. That is my question.

The PRESIDING OFFICER. The Chair is uncertain whether a unanimous-consent agreement was reached with respect to the amendment of the Senator from Kansas to go next.

Mr. BYRD. Madam President, our other distinguished President pro tempore is on the floor, and we have a very good attendance. I ask unanimous consent, notwithstanding any previous order, I might proceed at this time for not to exceed 15 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Reserving the right to object, I wonder if our colleague from West Virginia would simply permit me to offer an amendment.

Mr. BYRD. And have it laid aside?

Mr. KYL. Exactly.

Mr. BYRD. I have no objection.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Reserving the right to object, and I shall not object, I would like to make the same request of the Senator from West Virginia in order to offer three amendments.

Mr. BYRD. I have no objection.

Mr. GRAMS addressed the Chair.

Mr. BYRD. I retain my right to the floor.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. GRAMS. Reserving the right to object, and I will not object, I also just would like to offer an amendment and lay it aside.

Mr. BYRD. Madam President, I ask unanimous consent that all Senators presently on the floor who have amendments which they wish to offer so they will be properly offered, I ask that they be allowed to offer them.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia that all Senators who wish to offer amendments be permitted to do so under the terms of the unanimous-consent request?

Mr. DOMENICI. Madam President, reserving the right to object, I say to Senators, before we leave here tonight—and we are going to come back and vote at 9—we hope by that time to have a unanimous-consent arrangement so Senators will not have to each stand up and send those amendments to the desk. Madam President, I say to Senator BUMPERS, we hope to have that done, but if he wants to do it now while he is on the floor, fine.

Mr. BUMPERS. It will take 10 seconds.

Mr. DOMENICI. I have no objection to the Senator's request.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. It is very generous of the Senator from West Virginia to propound this request. I certainly do not object, but understand, I say to my colleagues, that the amendments then should go up immediately.

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

AMENDMENT NOS. 333, 334, AND 335

Mr. LAUTENBERG. Madam President, I have one amendment I send to the desk on behalf of Senator DODD, and I have two amendments which I send to the desk on behalf of Senator MOSELEY-BRAUN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes amendments numbered 333, 334 for Ms. MOSELEY-BRAUN and amendment numbered 335 for Mr. DODD.

Mr. LAUTENBERG. Madam President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 333

(Purpose: To express the sense of the Senate regarding the use of budget savings)

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE USE OF BUDGET SAVINGS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Poverty rates among the elderly are at the lowest level since our Nation began to keep poverty statistics, due in large part to the social security system and the medicare program.

(2) Twenty-two percent of every dollar spent by the Federal Government goes to the social security system.

(3) Eleven percent of every dollar spent by the Federal Government goes to the medicare program.

(4) Currently, spending on the elderly accounts for ⅓ of the Federal budget and more than ½ of all domestic spending other than interest on the national debt.

(5) Future generations of Americans must be guaranteed the same value from the social security system as past covered recipients.

(6) According to the 1997 report of the Management Trustee for the social security trust funds, the accumulated balance in the Federal Old-Age and Survivors Insurance Trust Fund is estimated to fall to zero by 2029, and the estimated payroll tax at that time will be sufficient to cover only 75 percent of the benefits owed to retirees at that time.

(7) The accumulated balance in the Federal Hospital Insurance Trust Fund is estimated to fall to zero by 2001.

(8) While the Federal budget deficit has shrunk for the fourth straight year to $67,000,000,000 in 1997, measures need to be taken to ensure that that trend continues.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that budget savings in the mandatory spending area should be used—

(1) to protect and enhance the retirement security of the American people by ensuring the long-term future of the social security system;

(2) to protect and enhance the health care security of senior citizens by ensuring the long-term future of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.); and

(3) to restore and maintain Federal budget discipline to ensure that the level of private investment necessary for long-term economic growth and prosperity is available.

AMENDMENT NO. 334

(Purpose: To express the sense of the Senate regarding the value of the social security system for future retirees)

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE VALUE OF THE SOCIAL SECURITY SYSTEM FOR FUTURE RETIREES.

(a) FINDINGS.—The Senate makes the following findings:

(1) The social security system has allowed a generation of Americans to retire with dignity. Today, 13 percent of the population is 65 or older and by 2030, 20 percent of the population will be 65 or older. More than ½ of the elderly do not receive private pensions and more than ⅓ have no income from assets.

(2) For 60 percent of all senior citizens, social security benefits provide almost 80 percent of their retirement income. For 80 percent of all senior citizens, social security benefits provide over 50 percent of their retirement income.

(3) Poverty rates among the elderly are at the lowest level since the United States began to keep poverty statistics, due in large part to the social security system.

(4) Seventy-eight percent of Americans pay more in payroll taxes than they do in income taxes.

(5) According to the 1997 report of the Managing Trustee for the social security trust funds, the accumulated balance in the Federal Old-Age and Survivors Insurance Trust Fund is estimated to fall to zero by 2029, and the estimated payroll tax at that time will be sufficient to cover only 75 percent of the benefits owed to retirees at that time.

(6) The average American retiring in the year 2015 will pay $250,000 in payroll taxes over the course of his or her working career.

(7) Future generations of Americans must be guaranteed the same value from the social security system as past covered recipients.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that no change in the social security system should be made that would reduce the value of the social security system for future generations of retirees.

AMENDMENT NO. 335

(Purpose: To ensure that the concurrent resolution conforms with the Bipartisan Budget Agreement to restrict revenue reductions over the ten-year period)

On page 41, line 9 strike the period and add, ''and $250,000,000,000 for the period of fiscal years 1998 through 2007''.

Mr. LAUTENBERG. I ask unanimous consent that the amendments be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Arkansas.

AMENDMENT NOS. 330, 331 AND 332

Mr. BUMPERS. I ask unanimous consent that the pending amendment be temporarily laid aside in order for me to offer three amendments, which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes amendments numbered 330, 331 and 332.

Mr. BUMPERS. Madam President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 330

(Purpose: To delay the effectiveness of the tax cuts assumed in the Budget Resolution until the Federal budget is balanced)

Change the figure on line 11 of page 3 to zero.

Change the figure on line 12 of page 3 to zero.

Change the figure on line 13 of page 3 to zero.

Change the figure on line 14 of page 3 to zero.

Strike lines 7–9 on page 41 and insert in lieu thereof the following:

''reduce revenues by not more than $20,500,000,000 in fiscal year 2002 and $20,500,000,000 for the period of fiscal years 1998 through 2002.''

AMENDMENT NO. 331

(Purpose: To ensure that the Medicare cuts that will be enacted are not used to pay for tax cuts and that instead the tax cuts are completely paid for by the closure of tax loopholes)

Strike lines 7–9 on page 41 and insert in lieu thereof the following:

''Raise revenues by $19,500,000,000 in fiscal year 2002 and $30,000,000,000 for the period of fiscal years 1998 through 2002.''

AMENDMENT NO. 332

(Purpose: To express the Sense of the Senate that no budget reconciliation bill shall increase the Federal deficit, either during the five year scoring period or thereafter)

Add the following new section at the appropriate place in the Resolution:

''SEC. . SENSE OF THE SENATE OPPOSING THE ENACTMENT OF RECONCILIATION LEGISLATION WHICH ADDS TO THE FEDERAL DEFICIT.

''(a) FINDINGS.—The Congress finds that—

''(1) the Congressional Budget Act allows for a point of order to be raised against a Budget Reconciliation Bill or a particular Title of a Budget Reconciliation Bill if the Bill or Title would increase the deficit during a fiscal year covered by the Bill;

''(2) the Congressional Budget Act allows for a point of order to be raised against a Budget Reconciliation Bill or a particular Title of a Budget Reconciliation Bill if the Bill or Title would increase the deficit during a fiscal year after the year covered by the Bill; and

''(3) the purpose of the Budget Reconciliation process is to enact legislation to reduce the Federal budget deficit.

''(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Senate should not enact Budget Reconciliation legislation which increases the Federal Budget deficit either during any fiscal year covered by the Reconciliation legislation or any fiscal year thereafter.

The PRESIDING OFFICER. The Senator from West Virginia still has control.

Mr. BUMPERS. I am sorry, I thought the Senator had yielded for that purpose.

Mr. BYRD. I think I made a request. If I may be heard, my request was that all Senators who are presently on the floor may be permitted to send their amendments to the desk, and it will be considered as having been offered in order to comply with the requests that amendments be filed before the day ends. So I think that takes care of it.

Mr. BUMPERS. Let me ask the Senator from West Virginia, is his request that all Senators can simply send their amendments to the desk without the formality of offering them from the floor?

Mr. BYRD. That was my request. I do not know if it was objected to.

The PRESIDING OFFICER. That was the agreement that was agreed to.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Madam President, we have an agreement on the amendment that is pending subject to just a modification. Can we do the modification in 30 seconds and clear the floor and then let both our distinguished senior Senators speak, and then we can start the whole process again? We can do that in 30 seconds. Can we do that?

Mr. BYRD. I have no objection to that. I just hope we will not lose an audience before I get to speak.

Mr. GRAMM. We can add Senator THURMOND to the unanimous-consent request and let both speak. I think it will be good.

Mr. DOMENICI. Senator BROWNBACK has an amendment just like yours. Can we take it right after yours? It will take 10 minutes.

Mr. BROWNBACK. Good, and I promise I will stay around and listen.

AMENDMENT NO. 317, AS MODIFIED

Mr. GRAMM. Madam President, I send a modification to the desk to amendment No. 317. All the amendment says is it is a sense of the Senate that we need to move toward setting aside in advance funding for emergencies; that we ought to ask Presidents to submit budgets that prepare for emergencies. We know we are going to have them every year. We have averaged $7 billion in emergency spending for the last 6 years. We ought to go ahead and make it part of the process that these are funded in advance.

This is a sense-of-the-Senate resolution. Obviously, we will have to vote on this to get to appropriations, but it has been cleared on both sides.

I thank our colleagues for accepting it.

The PRESIDING OFFICER. Is there objection to amendment No. 317 being modified?

Mr. DOMENICI. We have no objection.

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

The amendment, as modified, is as follows:

At the end of title III insert the following:

SEC. . SENSE OF THE SENATE ON DISASTER ASSISTANCE FUNDING.

(a) FINDINGS.—The Senate finds that—

(1) emergency spending adds to the deficit and total spending;

(2) the Budget Enforcement Act of 1990 exempts emergency spending from the discretionary spending caps and pay-go requirements;

(3) the Budget Enforcement Act of 1990 expires in 1989 and needs to be extended;

(4) since the enactment of the Budget Enforcement Act, Congress and the President have approved an average of $5.8 billion per year in emergency spending;

(5) a natural disaster in any particular State is unpredictable, but the United States is likely to experience a natural disaster almost every year.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals underlying this concurrent resolution on the budget assume that the Congress should consider in the extension on the Budget Enforcement Act and in appropriations acts—

(1) provisions that budget for emergencies or that require emergency spending to be offset;

(2) provisions that provide flexibility to meet emergency funding requirements associated with natural disaster;

(3) Congress and the President should consider appropriating at least $5 billion every year within discretionary limits to provide natural disaster relief;

(4) Congress and the President should not designate any emergency spending for natural disaster relief until such amounts provided in regular appropriations are exhausted.

The PRESIDING OFFICER. Is there further debate on amendment No. 317, as modified?

Without objection, the amendment is agreed to.

The amendment (No. 317), as modified, was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. BROWNBACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

AMENDMENT NO. 329

(Purpose: To express the sense of the Senate on enforcement of the bipartisan budget agreement)

Mr. BROWNBACK. I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. BROWNBACK], for himself and Mr. KOHL, proposes an amendment numbered 329.

Mr. BROWNBACK. I ask unanimous consent that further reading of the amendment be dispensed with. We can do this very quickly.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE ON ENFORCEMENT OF BIPARTISAN BUDGET AGREEMENT.

(a) FINDINGS.—The Senate finds that—

(1) the bipartisan budget agreement is contingent upon—

(A) favorable economic conditions for the next 5 years;

(B) accurate estimates of the fiscal impacts of assumptions in this resolution; and

(C) enactment of legislation to reduce the deficit.

(2) if either of the conditions in paragraph (1) are not met, our ability to achieve a balanced budget by 2002 will be jeopardized.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals and limits in this resolution assume that—

(1) reconciliation legislation should include legislation to enforce the targets set forth in the budget process description included in the agreement and to ensure the balanced budget goal is met; and

(2) such legislation shall—

(A) establish procedures to ensure those targets are met every year;

(B) require that the President's annual budget and annual Congressional concurrent resolutions on the budget comply with those targets every year;

(C) consider provisions which provide that if the deficit is below or the surplus is above the deficits projected in the agreement in any year, such savings are locked in for deficit and debt reduction; and

(D) consider provisions which include a provision to budget for and control emergency spending in order to prevent the use of emergencies to evade the budget targets.

Mr. BROWNBACK. Senator KOHL and I have a great deal of concern about getting some enforcement mechanisms put into place during reconciliation so that the budget agreement that is reached, if it is passed, is then enforced. It is in the reconciliation of the bill. That is what this amendment will do. We need to work together during reconciliation to enforce the targets that have been established.

Madam President, this is a hopeful budget deal. We must hope that we do not have one slight downturn in the economy. We must hope that we did not make one flawed assumption, and we must hope that we don't have a national emergency.

Madam President, no matter how well intended things may be, things don't always work out the way you hope they will. If any one of these hopeful events don't occur, then the budget won't be balanced. This is why Senator KOHL and I are offering this sense-of-the-Senate amendment.

This budget deal was only made possible because the night before the agreement, CBO found an extra $225 billion in revenues.

This deal assumes we will be able to achieve 72 percent of the savings in the last 2 years with more than half occurring in the last year.

And because these numbers are so fragile and ever-changing at best, and because this budget promises to balance without much real fiscal restraint, it is imperative that we enact strong budget enforcement reforms to assure that the goals of this deal are reached.

We cannot simply rely on hope to end this cycle of debt we are passing onto our children. To make balancing the budget a reality, this deal needs teeth. We need to strengthen this deal by at least enforcing it.

This amendment does not change any numbers, it does not alter any of the goals of this agreement. It only says that Congress should put in place tools to make sure this deal is honored.

What is in the amendment?

This amendment requires that this summer the Budget Committee report a bill that requires: That every year the President sends Congress a budget that complies with this agreement; that the budget adopted by Congress complies with this agreement; provides that if the deficit is below the targets set out in this budget that the money is not spent, rather it shall be saved; that emergency spending is paid for; and this amendment establishes legal procedures that will assure that the goals of this agreement are reached.

Mr. KOHL. Madam President, I rise as a supporter of this budget and as a sponsor of the Brownback-Kohl enforcement amendment. This budget deserves the support of the Senate for several reasons.

It is bipartisan and centrist. It finds priorities—like education and child health—that transcend party lines. It includes reasonable tax relief targeted toward families and economic growth. It balances the budget by the year 2002, and it produces surpluses to reduce the debt in the years after that.

In this budget, the Congress and the administration have found a way to do what the American people have long asked us to do: Balance the budget in a balanced manner—grow the economy without growing income inequality—strengthen the country by strengthening the working family.

The amendment I offer today with my colleague from Kansas makes this very good budget stronger. It calls on the Budget Committee to report enforcement legislation that will lock in the deficit targets in the agreement.

While there are some enforcement provisions in the budget deal, we don't think they go far enough. Our amendment calls for enforceable caps on all parts of the budget—entitlements, discretionary spending, and tax expenditures. It requires windfall savings from a good economy or lower than anticipated spending to be locked in to deficit reduction. And it calls for reform in emergency spending procedures so that Congress cannot use true disasters as

an excuse for off-budget spending on favorite programs.

Again, said. Out amendment does not change the budget deal. It strengthens it. It guarantees that the balanced budget becomes a reality. And it will assure the American people that we are serious about reaching balance by 2002.

It is important that we make that assurance. This budget is open to criticism because it increases the deficit from $67 to $90 billion in 1998 and 1999 before bringing it to 0 in 2002. All of the deficit reduction in this agreement occurs after the turn of the century.

We simply are not credible if we promise to cut the deficit a couple of years down the road. People have heard that from Congress for too long. I urge my colleagues to support this budget—and more. I urge them to commit to it by agreeing on strong enforcement procedures that will guarantee the deficit reduction we promise. I urge my colleagues to support the Brownback-Kohl amendment.

Mr. BROWNBACK. I ask that this amendment be agreed to by unanimous consent. It has been worked out between the parties.

The PRESIDING OFFICER (Mr. ENZI). Is there further debate on the amendment? If there is no objection, amendment No. 329 is agreed to.

The amendment (No. 329) was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia, under the previous order, is recognized.

Mr. DOMENICI. Would the Senator permit me one thing?

Mr. BYRD. Yes.

Mr. DOMENICI. I gather Senator BYRD is going to speak and then Senator THURMOND is going to speak. Then I would ask unanimous consent two amendments be in order and in the following sequence: Senator MOSELEY-BRAUN—and how much time did the Senator want to take on her amendment?

Ms. MOSELEY-BRAUN. It was my understanding that I would be allowed an hour tonight and then some time in the morning to vote on it.

Mr. DOMENICI. Do you want the whole hour? That is all I am asking.

Ms. MOSELEY-BRAUN. Yes, the whole hour.

Mr. DOMENICI. OK. Following the debate on her amendment, at the conclusion of the time, that Senator MACK be recognized to offer a sense-of-the-Senate resolution regarding the National Institutes of Health.

Mr. MACK. That is correct.

Mr. DOMENICI. Does the Senator want to reserve the statutory time of an hour?

Mr. MACK. I have already received requests of at least an hour.

Mr. DOMENICI. All right. That means then we will not resume voting until 9 o'clock or slightly thereafter when these matters have been finished. We will vote in sequence, first on Senator MOSELEY-BRAUN's and then on Senator MACK's. And we are reserving the right to table either one if we so desire or if anyone desires to do that.

I ask unanimous consent that that request be granted.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Reserving the right to object. If I could get the——

Mr. DOMENICI. I get instructions, I am so sorry, that I am unaware of. I understand Senator MOSELEY-BRAUN will agree to have her vote be the first vote up in the morning.

Ms. MOSELEY-BRAUN. Yes.

Mr. DOMENICI. Tonight at 9 o'clock, we will vote on Senator MACK's proposal that I just described.

Would the Senator like to vote this evening?

Mr. MACK. I would like to have a recorded vote. This evening would be fine. My only question would be, are we really fixing a time at 9 o'clock or——

Mr. DOMENICI. We will not have a vote until 9 o'clock.

Mr. MACK. Sometime after that?

Mr. DOMENICI. At 9 or thereafter.

Mr. MACK. Very good.

Mr. DOMENICI. Any other Senators that might have an amendment they would like to call up tonight?

Mr. CONRAD. Yes, Mr. Chairman, if I might.

Mr. DOMENICI. You are in.

Mr. CONRAD. I would like to get included in this train. I would like to get in on this one.

Mr. DOMENICI. Do you want to follow whatever we have just indicated the sequence is? You will follow thereafter with a speech here on the floor. I ask unanimous consent for that to be added to the request.

Mr. CONRAD. I thank the Senator.

Mr. DOMENICI. We will not agree to any other amendments at this time.

The PRESIDING OFFICER. Is there any objection to the request? Without objection, it is so ordered.

The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair.

Mr. DOMENICI. I thank Senator BYRD.

Mr. BYRD. I thank the Senator.

SENATOR THURMOND'S MILESTONE

Mr. BYRD. Mr. President, we are told in the Holy Bible that Abraham lived to be 175 years old, that Isaac lived to be 180 years old, that Jacob lived to be 147 years old, and that Joseph lived to be 110 years old. I have consulted Scripture to see if there is any account of record with respect to the Senator who is the senior Senator of this body, STROM THURMOND, and I found that nothing had yet been entered in regard to that venerable gentleman.

I rise today to call attention to a very historic and significant happening that will occur on this coming Sunday, May 25, when the senior Senator from South Carolina becomes the longest serving Senator in the history of the U.S. Senate. On that day, Senator STROM THURMOND, whose service began on December 24, 1954, will surpass the record set by Arizona Senator Carl Hayden, who served 41 years and 10 months between 1927 and 1969. In the entire 208-year history of the U.S. Senate, only three Senators—STROM THURMOND, Carl Hayden, and John Stennis of Mississippi—served for more than 40 years.

I should point out that Senator Hayden had previously spent 15 years in the House of Representatives, giving him a combined 56 years in Congress, a record matched by no one else in either the House or Senate.

I stand fourth on the overall list of seniority in the Senate, with 38 years and 5 months of service to date, which does not count the 6 years that I spent in the House of Representatives, beginning in January 1953, before I came to the Senate. The rest of the ''top 10'' include Senators Richard Russell, Russell Long, Francis Warren, James Eastland, Warren Magnuson, and Claiborne Pell. It is worthy of note that while there have been Senators throughout our history—1,843 Senators in our 208-year history—at the time that Senator Hayden retired in 1969, 9 of these top 10 Senators were then serving together in the Senate. That is quite a remarkable thing, I think. Longevity of Senate service is clearly a modern phenomenon.

Longevity records have been set on three prior occasions in the 20th century. In 1905, William Allison, an Iowa Republican, broke the previous record of 31 years and 11 months. In 1928, Senator Francis Warren, a Wyoming Republican, broke Allison's record. And in 1964, Senator Carl Hayden, an Arizona Democrat, surpassed Warren's tenure. Now Senator THURMOND, a Republican from the State of South Carolina, will move past Senator Hayden's record.

It is fitting for those of us in the Senate to pay tribute to Senator THURMOND on this occasion. I note that on February 19, 1962, the Senate honored Senator Hayden when he became the first person to have served in Congress 50 years. On June 19, 1970, we commemorated Senator Mike Mansfield's becoming the longest-serving Democratic leader of the Senate. And on December 22, 1995, we similarly celebrated Senator Bob Dole's breaking of his party's leadership record.

It is also fitting for us to recall the great sweep of American history represented in Senator THURMOND's long political career. And it is indeed a remarkable political career. If one will just take the time to look at the Congressional Directory, he will view with astonishment and amazement the political record of Senator THURMOND. He won his first election as Edgefield County superintendent of schools in 1928, when he was 26 years old. Calvin Coolidge then occupied the White House, soon to be replaced by Herbert Hoover, who was elected President that year. The boom times of the Roaring

Twenties were soon shattered by the stock market crash of 1929 and the Great Depression that followed. STROM THURMOND and I remember all about those things.

During the 1930's, while President Franklin D. Roosevelt promoted a New Deal in America, STROM THURMOND served as city and county attorney, a member of the South Carolina State Senate, and as a circuit judge. The United States entered the Second World War in 1941. And in 1942, STROM THURMOND volunteered for service in the Army. He was a paratrooper at Normandy Beach on June 6, 1944, 53 years ago. Returning to civilian life, he was elected Governor of South Carolina in 1946, 51 years ago. Two years later, he ran as the ''Dixiecrat'' candidate for President of the United States against the incumbent Democrat, Harry S. Truman.

In 1954, during the Presidency of Dwight D. Eisenhower, STROM THURMOND became the first and only person ever to be elected to the U.S. Senate on a write-in vote. Senator THURMOND took the oath of office on December 24, 1954. Fulfilling a pledge he had made during that first campaign, Senator THURMOND resigned from the Senate on April 4, 1956, and ran again for his Senate seat in the Democratic primary. He won both the primary and the general election and returned to the Senate on November 7, 1956.

During his first 10 years in the Senate, STROM THURMOND was a Democrat. When I came to the Senate, STROM THURMOND was a Democrat. I can remember looking up into the galleries and seeing the late wife of STROM THURMOND, who died early in her life, relatively speaking. I can remember coming into the Chamber that day, and seeing STROM on the back row of the Senate, I walked up to him and expressed my sorrow for the loss of his wife.

In 1964, during the Presidential campaign between President Lyndon Johnson and Senator Barry Goldwater, Senator THURMOND changed his party affiliation to become a Republican. And he has been credited with devising the ''Southern Strategy'' that has so significantly reshaped the Republican Party.

In 1981, when Ronald Reagan became President and the Republican Party gained the majority in the Senate, after 26 years in the minority, Senator THURMOND became President pro tempore and chairman of the Senate Judiciary Committee. Today with Bill Clinton in the White House, Senator THURMOND is again President pro tempore of the Senate and chairman of the Armed Services Committee.

Now, to that record of endurance we should add one further statistic. In 1957 Senator THURMOND set the record, as yet unbroken, and I imagine it will be unbroken for a long, long time, for the longest individual speech delivered in the Senate, for 24 hours and 18 minutes. From August 28 to August 29, 1957, Senator THURMOND held the floor, speaking against the Civil Rights Act of 1957.

As a Senator who once held the floor for 14 hours and 13 minutes, and I could have held it much longer and probably would have held it much longer had I not honored a promise that I made to the then majority leader Mike Mansfield that I would give up the floor in order to let a vote occur, I held the floor for 14 hours and 13 minutes, I can attest that Senator THURMOND's exceptional stamina is quite remarkable.

Finally, I shall not allow the occasion to pass without calling attention to a historical milestone that would be set on December 31, 1997, by Senator THURMOND's colleague from South Carolina ERNEST HOLLINGS—we all know him as FRITZ—who has now served 30 years and 5 months as the junior Senator from his State. Senator HOLLINGS will then surpass the ''juniority'' record of 31 years and 52 days previously held by Senator John Stennis of Mississippi.

So we have two Senators from South Carolina who are breaking records these days. I salute both of these distinguished Senators.

I am proud to serve on the Armed Services Committee now chaired by Senator STROM THURMOND, and I am proud to sit on the Appropriations Committee, where for these many years I have worked at the side of Senator HOLLINGS, a very fine Senator, a very active and able Senator. Both of these Senators have contributed greatly to the service of their country. I salute these distinguished Senators and their historical records, and I commend STROM THURMOND for his lifetime of public service to his State, to his Nation and to the U.S. Senate.

The hours are like a string of pearls,
The days like diamonds rare,
The moments are the threads of gold,
That bind them for our wear,
So may the years that come to you, Strom,
Such health and good contain,
That every moment, hour, and day,
Be like a golden chain.

The PRESIDING OFFICER. The Chair recognizes the junior Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I understand the agreement has been made.

Mr. BYRD. I may have some time and I will be happy to yield to Senator HOLLINGS.

Mr. HOLLINGS. I thank the distinguished Senator from West Virginia and the distinguished Chair.

No one is more qualified to comment upon the distinguished service of the senior Senator from South Carolina than ROBERT BYRD of West Virginia, and certainly no one is more eloquent in this U.S. Senate. I thank him for his very generous remarks relative to me, but more particularly the comments relative to Senator THURMOND, because he deserves them.

I like work, Mr. President, and no one works harder than STROM THURMOND. I love the State of South Carolina, and no one loves South Carolina more than STROM THURMOND. I love this country, and of course no one loves the United States more than STROM THURMOND.

My senior Senator is the epitome of Robert E. Lee's comment that the most sublime word in the English language is duty. He is the living example of that particular admonition. The fact is that he has done his duty here for the people of the State of South Carolina and this country over the many, many years because he is the greatest disciplinarian I have ever met. He is totally disciplined with respect, not just to his physical being, which has gotten him 94 years, but more particularly his disciplined service and loyalty to his State and country.

I, too, want to recognize on Sunday he will have most deservedly broken the all-time record for length of service in this U.S. Senate. It will not be the first time the Senator has broken an all time Senate record. We all know he holds the record for the longest extended debate.

I know others are waiting. They have very generously yielded to me, so I will not attempt to break that record now. However, I will have more to say about Senator THURMOND's record at another time, but I know everyone is interested in hearing from our senior Senator. Let me just say, the greatest privilege for this junior Senator has been to serve under this senior Senator for 30-some years.

The PRESIDING OFFICER. Under the previous order the Senator from South Carolina has the time.

Mr. SPECTER. I ask unanimous consent I might speak for up to 5 minutes.

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

The Chair recognizes the Senator from Pennsylvania.

Mr. SPECTER. I wish to add my voice and tribute to our distinguished President pro tempore on his magnificent record, and comment about how much I have admired his work as chairman of the Judiciary Committee.

When I joined this body after the 1980 elections, a few days after the November election, in 1980, I was sitting in my bed in Philadelphia and the telephone rang and that distinguished southern voice said, ''This is STROM THURMOND calling. I wonder if you would be willing to vote for me for President pro tempore.'' I was really amazed since Senator THURMOND did not need my vote that he would call and ask for my vote.

While I served with him on the Judiciary Committee I found him to be very wise. One of the comments he made soon after I joined the committee, when a judge was up for confirmation, was asking the nominee if the nominee promised to be courteous. I thought that was sort of a meaningless question until Senator THURMOND followed up after the nominee said yes by saying, ''The more power a person has the more courteous that person should be.'' There is a lot of wisdom in that

short statement. Whenever Senator THURMOND is not present and I am, I make that statement to the nominees.

During the first 4 years of my term here, Senator Howard Baker, the majority leader, used to keep us all night, and on many occasions I would join STROM for a bowl of soup for about an hour, and I have listened to some of the most fabulous stories because Senator THURMOND is a legend, having been here when John Kennedy was a Senator, when Lyndon Johnson was a Senator.

I shall tell one very brief story. After Senator THURMOND ran on the Dixiecrat ticket in 1948, in the Presidential motorcade Inauguration Day in 1949 Senator THURMOND rode in an open car with his wife. Senator THURMOND tells a story of when he passed by the reviewing stand of President Truman and Vice President Barkley. Senator THURMOND stood up, took his hat off and bowed. And Vice President Barkley started to wave to Governor THURMOND. And I shall not tell the whole story, but President Truman pulled down Vice President Barkley's hand with a comment, which is a remarkable story.

I asked STROM on a number of occasions if I could be his biographer. He should have a biographer, if he does not take the time to write his own. It is too bad, on this very busy occasion of the Senate, that there are not more Senators on the floor to hear the remarkable accolades presented by our noted historian and conscience of the Senate, Senator BYRD, and by the senior junior Senator, Senator HOLLINGS, but I wanted to have my words of admiration for Senator THURMOND on this very auspicious occasion.

The PRESIDING OFFICER. Under the previous order the Chair recognizes the distinguished Senator from South Carolina.

Mr. THURMOND. I planned to speak about 10 minutes on defense, but I did not know that these wonderful accolades were going to come up at this time. I wish to express my deep appreciation to the able Senator from West Virginia, who has been minority leader, majority leader, and every position the Senate had to offer. I guess no man in the history of this country has filled more important positions in the U.S. Senate than Senator BYRD of West Virginia, and he has filled them well. Everything he has undertaken he has done it well. I deeply appreciate the kind words he said today.

I wish to thank my able colleague, Senator HOLLINGS. Senator HOLLINGS and I are different parties but we have been here a long time together. We respect each other. And I have had the opportunity to work with him on many matters of various kinds and it has been a pleasure to do that. We have never had an argument that I recall. Although we do not always vote alike, we hold each other in respect. I wish to thank him for his kind remarks. He is, as someone stated, the longest-serving junior Senator in the United States, but after this term, if he is still here, maybe he will get to be the senior Senator. Again, I wish to express to Senator HOLLINGS my appreciation for serving with him and working with him. It has been a pleasure to do so, FRITZ, and I thank you.

I wish to thank the able Senator from Pennsylvania, Senator SPECTER. When I came to the Senate I watched different Senators come and go. When Senator SPECTER came I soon recognized that here was a man of unusual talent, a man of great ability. It has been a pleasure to serve with him. He is a great historian. He can tell many stories about different people on different things and amuse you to the fullest. I deeply appreciate his fine friendship and thank him for his kind remarks here today.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

Mr. THURMOND. Mr. President, this budget resolution represents a historic endeavor by the Congress and the administration. For the first time in 28 years, we have agreed on a path designed to balance the Federal budget by the year 2002. The fiscal irresponsibility that drove us into a national debt of more than $5 trillion, with interest payments amounting to 15 percent of our annual Federal budgets, was surely leading this Nation toward a day of economic reckoning with severe consequences. I am delighted that, aided by a strong economy, we seem to be moving toward setting our fiscal house in order.

Despite my enthusiastic support for a balanced budget, I must admit that I remain deeply concerned about the state of our national security and plans for funding our defense establishment in this post-cold-war era.

When the Clinton administration took office in 1993, it immediately began to cut defense spending. Within the context of the bottom-up review, they cut over $120 billion out of the Future Years Defense Program. Despite this severe underfunding of our military forces, the administration has shown no reluctance to use them. Multilateral peacekeeping operations under the United Nations became the vogue during the early years of the Clinton administration. The debacle in Somalia, where 18 American soldiers were killed in the streets of Mogadishu, awakened the Congress and the American people to the folly of these policies. Despite this concern, less than 2 years later the administration was dispatching U.S. troops to Haiti and then to peackeeping operations in Bosnia. During the first 4 years of the Clinton administration, our military forces were dispatched on more separate deployments than at any other time in our history.

The tempo of these operations has put tremendous strain on our diminished force structure and its aging equipment. Indeed, the administration's willingness to employ our military forces in peacekeeping operations without regard to the adverse effects of these deployments has further eroded our capability to execute two overlapping major regional contingencies. Defense funds authorized and appropriated for military readiness, personnel and equipment have been depleted to pay for unbudgeted operations that have exceeded $15 billion since 1993. Furthermore, the unprecedented personnel tempo from these operations has dramatically stressed our military personnel and their families.

The administration's proposed budgets have neglected the necessary immediate investment in force modernization, and justified this by projecting significant funding increases in the outyears, when the administration promised to recapitalize our military forces. Unfortunately, these outyears never arrived. For 6 straight years, the administration's projected increases in the modernization accounts did not materialize. In fact, the amounts requested for the modernization accounts were lower each year than projected by the administration in the previous year.

In 1995, Republicans gain control of Congress and passed a budget resolution intended to alleviate at least some of the problems caused by the underfunding of the defense budget. Over $18 billion was added to the defense budgets of the 104th Congress. Most of these funds were directed into the modernization accounts which had been so drastically neglected by this administration.

During negotiations on the recent budget agreement, I urged our budget negotiators to adopt the congressional budget resolution for fiscal years 1998 and 1999, since those numbers were above the administration's request. I also urged that we accept the administration's request for fiscal years 2000 through 2002, when the projected spending targets were above those in our congressional budget resolution. By agreeing to the administration's spending targets in the outyears, we would, in effect, capture in the budget agreement the elusive recapitalization funds for modernization.

This agreement before us today protects our military forces from unrealistic and unwise cuts in defense. I was encouraged that Secretary Cohen has also supported these more favorable, higher numbers for defense. We do not yet know the full impact on the defense budget resulting from the budget agreement and possible effects of outlay shortfalls in the later years of this agreement. However, I remain concerned that even the highest levels for defense considered in this agreement may not provide sufficient funds to adequately sustain over time the personnel, quality of life, readiness and modernization programs critical to our military services, especially if we continue to use funds from the defense

budget to pay for unbudgeted peacekeeping operations.

Preliminary results emerging from the QDR indicate that the two MRC strategy will remain essentially unchanged. However, even using the administration's higher funding in the outyears, the QDR recommends force structure reductions of up to 130,000 personnel to free minimal funds for essential modernization. Key force modernization programs will also have to be significantly reduced in order to remain within the funding limits of the administration's defense program.

I hope that, within the balanced budget agreement, we will provide adequately for our men and women in uniform to defend our Nation. It is clear that we must continue now and in the future to examine the adequacy of the funds we allocate to our national security. At the same time, we must continue to search for ways to improve the efficiency and effectiveness of our defense establishment—especially in the support structure—so that we can achieve savings to devote to the cutting edge of our military combat forces.

It is gratifying to me, after almost 42 years in the Senate, to see the possibility of a balanced budget with adequate funds also provided for our national security. It has been worth fighting for. I pledge to continue the fight.

Mr. President, I yield the floor.

Ms. MOSELEY-BRAUN addressed the Chair.

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

Ms. MOSELEY-BRAUN. Thank you, Mr. President.

AMENDMENT NO. 336

(Purpose: To provide $5 billion to create a partnership among all levels of government to help states and school districts meet their school repair, renovation, modernization, and construction priorities, offset by closing tax loopholes; to improve the educational environment for the 14 million children who attend severely dilapidated schools, the millions of children in overcrowded classrooms, and the 19 million children who are denied access to modern computers because their schools lack basic electrical wiring; and to generally help states and school districts bring their school buildings into the 21st century)

Ms. MOSELEY-BRAUN. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Ms. MOSELEY-BRAUN], for herself, and Mr. HARKIN, Mr. KENNEDY, Mr. WELLSTONE, Mr. BINGAMAN, Mr. TORRICELLI, Mrs. MURRAY, Mr. JOHNSON, Mr. GRAHAM, Mr. GLENN, Mr. DORGAN, Mr. KERRY, Mr. REED, Mr. MOYNIHAN, Mr. KERREY, Mr. DODD, Mr. CONRAD, and Ms. MIKULSKI, proposes an amendment numbered 336.

Ms. MOSELEY-BRAUN. 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 3, increase the amount by $1,250,000,000.

On page 3, line 4, increase the amount by $1,250,000,000.

On page 3, line 5, increase the amount by $1,250,000,000.

On page 3, line 6, increase the amount by $1,250,000,000.

On page 3, line 11, increase the amount by $1,250,000,000.

On page 3, line 12, increase the amount by $1,250,000,000.

On page 3, line 13, increase the amount by $1,250,000,000.

On page 3, line 14, increase the amount by $1,250,000,000.

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

On page 4, line 12, increase the amount by $1,250,000,000.

On page 4, line 13, increase the amount by $1,250,000,000.

On page 4, line 14, increase the amount by $1,250,000,000.

On page 4, line 15, increase the amount by $1,250,000,000.

On page 21, line 17, increase the amount by $5,000,000,000.

On page 21, line 18, increase the amount by $1,250,000,000.

On page 22, line 1, increase the amount by $1,250,000,000.

On page 22, line 9, increase the amount by $1,250,000,000.

On page 22, line 17, increase the amount by $1,250,000,000.

On page 40, line 17, reduce the amount by $5,000,000,000.

On page 41, line 8, reduce the amount by $5,000,000,000.

Ms. MOSELEY-BRAUN. Mr. President, this amendment provides $5 billion to create a partnership among all levels of government to help States and school districts meet their school repair, renovation, modernization and construction priorities.

The point of this amendment is to focus Federal resources, and to focus our support as a national community for rebuilding the schools in our country. Every day, 14 million American children attend schools that are in such dilapidated condition, and present such an unsuitable environment for learning, that their ability to access educational opportunity is impaired and impeded and diminished.

So this amendment seeks to address the budget resolution that has been agreed upon by allocating $5 billion to the Labor Committee to help school districts meet their most urgent school repair, renovation, and modernization and construction needs. It would allow us to create a partnership among the national, State, and local governments to repair our crumbling schools and help prepare our children for the 21st Century.

This amendment is not specific to any school construction plan. It is an up-or-down vote on whether or not the Senate believes school construction ought to be a priority.

I want to take a moment to talk about school construction and why it is important for us to be engaged as a national community in support of the environment in which we expect our children to learn. At no point in our history has education been more important to individual achievement and to our national well-being.

According to a just-published Hudson Institute study of the changing American work force, ''The crucial factor accounting for long-term success in the work force is a basic education provided at the primary and secondary levels.''

The Wall Street Journal recently quoted a leading U.S. economist who said, ''One of the few things that economists will agree upon is the fact that economic growth is very strongly dependent on our own abilities.''

Mr. President, that is true.

We are putting our Nation's economic future at risk by shortchanging our kids at schools that are literally falling down around them. Unfortunately—and it is an unfortunate fact—many of our schools are not in adequate physical condition to meet the educational needs of our children. Many of our children attend schools that are literally falling down around them.

The U.S. General Accounting Office, at our request, completed an exhaustive study of the condition of America's schools. They found that 14 million children every day attend schools in such poor condition that major renovation or outright replacement of the schools is needed. Twelve million children every day attend schools with leaky roofs. Seven million children every day attend schools with life-threatening safety code violations.

In this, the greatest country in the world, educational environments are in such bad condition that our children's performance is degraded by them. Our parents' generation did better by our generation than we are doing for our children. And that is why I have submitted this amendment. It is a tragedy for American children who have to attend schools in these conditions. None of us certainly would consider working in conditions this bad.

The problem of crumbling schools is one that is not isolated nor limited to inner cities, nor to isolated pockets of rural poverty. The General Accounting Office, in one of its studies, found that 38 percent of urban schools, 30 percent of rural schools, and 29 percent of suburban schools are falling down around our children.

In my State of Illinois alone, it is estimated to cost some $13 million to meet the school repair needs. Nationally, the GAO has documented $112 billion of renovation needs.

Clearly this is not a challenge that the local government and the States can do by themselves by relying on local property taxes.

I am going to inject a little humor because this is a very sobering story. This ought to be a very sobering situation. But I want to inject a little humor in the debate.

A couple of weeks ago Charles Schulz had a series of Peanuts cartoons featuring Peppermint Patty's crumbling

school. The problem of crumbling schools has become so widespread that even Peppermint Patty's school has a leaky school roof. That is what this cartoon is about.

In this series of Peanuts cartoons, Peppermint Patty and her friend, Marcie, express their frustration over the fact they can't get anyone to repair the leaking roof. But the most important one, I thought, was this last one here when Marcie says to Peppermint Patty, ''This is how it is, Mr. Principal. Half the kids in our class can't read and half can't multiply 6 by 8. None of the them ever heard of Bosnia and couldn't tell you who wrote Hamlet.''

Peppermint Patty says, ''I talked to the principal.''

So Marcie says, ''What did he say about the roof leaking?''

She said, ''I forgot to mention it.''

Mr. President, unfortunately, that has been the case all along. We have been talking about education and educational achievement. We have been talking about standards for our kids. We talk about excellence for our children. We talk about education making our Nation competitive in the global economy. But we forgot to mention that they have to go to school to learn it. They have to have an environment that is suitable for learning. We have so far and for so long turned our backs on this problem that, again, according to the GAO, is going to require $112 billion nationwide to address. That is just to provide the basics. That is just to make up for the years and years of neglect.

The GAO also found that many of our schools are not ready for the 21st century. Again, there is a lot of discussion on this floor about the information superhighway, the information age, and the advent of computers and technology. Fifteen million children every day attend schools that lack enough electrical power to fully use computers or telecommunications technology in their classrooms. Fifty percent of the schools in our country lack the necessary electrical wiring to deploy computers to the classrooms.

You can't very well use these technologies if there is not the basic infrastructure to allow them to be used. You can't use a computer if you can't plug it into an outlet that works. Unfortunately, it is the case at this time in our country that many of our classrooms are inadequate to meet the technological challenges of our time.

So we have two different issues that we have to begin to face up to. One is the decades of neglect and the fact that many of our young people are going to schools that our generation attended. And they have not had the continuing maintenance over time to keep them in decent shape or to keep them from crumbling.

Then we have the secondary challenge of getting these old buildings retrofitted, or new ones built sufficient to meet the technological changes of the information age that this generation is going to have to take up, and the technologies that ought to be tools for them to succeed in this global economy.

I point out that for this generation, computers are in many instances the functional equivalent of textbooks. We used books. They ought to be able to use the Net, and they ought to be able to use the computer technology for their education. And, yet, we are denying them even the basic opportunity to do so by putting them in situations in the crumbling schools that we see.

I found it very interesting. Today in the New York Times on the front page there is an article about tax breaks for schools. This was an article on an entirely different subject—not entirely, but a part of the problem of how it is that we got to the point of having our schools literally falling down around us. Interestingly, the little boy in this picture is going to a school of the arts. There is a huge hole in the wall in the school at the stairs that he is going up. You can see it right here, a huge hole in the wall of the school that he's attending. Mr. President, I would like to think that this would be the exception to the rule. Unfortunately, according to the General Accounting Office, it is not the exception. It is, more often than not, the rule.

Here is another picture that is not quite as graphic. You can see the peeling paint. Our children are attending schools with asbestos, they are attending schools with lead paint, they are attending schools where the roofs are leaking, where the windows are broken, where the heating is not adequate, where the sewage is not working. In short, the infrastructure consigns our children to an environment for learning that is not suitable and ought to be an embarrassment to all of us in this country.

Added to that problem is the fact that too many of our schools are so overcrowded that teaching and education are difficult. Again, according to the Department of Education, public high school enrollment is expected to increase some 15 percent by the year 2006. So, just to maintain current class sizes, we will need to build some 6,000 new schools by that time.

So the question is, how did we get to this point? How did we let it get this bad? And it is bad. Crumbling schools are not accidents. Crumbling schools happen because of some policy decisions that we have made here in the Congress and in our Nation. That is why this debate, I think, goes to the heart of the future of elementary and secondary education.

At the outset, I would like to share with whoever is watching, listening to this debate, some pictures that I have brought out before but I think they are graphic reminders of what we are up against. This would have been a chemistry lab, I guess, if you could use it, in a school. As you can see, there is no way a student can learn chemistry in circumstances like this. More often than not it would probably affect performance, and that student will not be able to be competitive in this global marketplace, in this global economy.

Desks, these are desks sitting against walls that are literally cracking and falling in.

A set of lockers in a high school: Torn in, broken down, dilapidated. That neglect, that kind of disrepair, did not happen overnight. It happens because over a period of many, many years, in some cases decades, these schools have not had maintenance because the maintenance was deferred. Senator PATTY MURRAY addressed this issue. As school districts have struggled to make ends meet, have struggled to provide for the educational demands of the system, they have neglected the infrastructure. And the result is the crumbling school phenomenon and crisis that we see today.

This is another school lab.

I point out, Mr. President, this is not just confined to one part of our country. It is a nationwide problem. In fact, interestingly, according to the General Accounting Office reports, it happens more often in the Western States than any other, but all regions of the country have crumbling schools. But it also happens in every kind of community in America. It happens in urban school districts. The central city school districts experience a 38-percent rate of crumbling schools. The rural districts, a 30-percent rate. The suburban districts, suburbia, which every one thinks of as being so well off, in suburbia 29 percent of the school systems in suburbia have at least one inadequate building. So this is a problem that we have to face up to as a national community. That is why this amendment has been offered.

I said earlier, crumbling schools are not just accidents. They are a predictable result of the way we fund education. Overcrowding and deterioration in the schools will persist as long as we continue to rely exclusively on the efforts at the local property tax level to fund school infrastructure improvements. The local property tax is simply an inadequate way to pay for the school infrastructure improvements of the magnitude that our country is facing right now.

Poor- and middle-class districts especially cannot raise enough revenue to meet their needs. In fact, another one of the General Accounting Office studies pointed out a perversity that everyone should become aware of, and that is that the middle class and poorer schools tax themselves harder, do more to raise the funds to provide for their education systems, than the schools in the wealthier districts. So what you have is the whole notion of ability to pay for schools turned on its head by tying educational funding to the local property tax—for, in some instances, laudable reasons. But by not allowing for any flexibility in that arrangement, what we essentially do is consign middle-class districts, poor districts, to a

greater effort in terms of raising the money to rebuild their schools and provide for educational services for their community. And we do not offset that in any way.

In 35 States, some poor districts have higher tax rates than wealthier districts, but they raise less revenue because there is less property wealth to tax. It stands to reason. If you have a poor district with less property tax wealth, the rate has to be higher in order to reach the same result as a more well off area that has the capacity and has the property level to begin with. So, for the most part, these districts across the country have to look elsewhere, above and beyond their own property tax base, to help fund educational improvements such as repairing the crumbling schools. Unfortunately the General Accounting Office found that they do not get a whole lot of help from State governments. In fact, in fiscal year 1994, State governments contributed only $3.5 billion to the school infrastructure crisis, in other words about 3 percent of the total needed. So this model, this school funding model, does not work for infrastructure, just as it was recognized some 50 years ago in this country, that it would not work for highways and other infrastructure.

Imagine for a moment if we based our system of road funding on the same funding model that we use for education funding. Imagine if every community by itself, without any outside help, were responsible for construction and maintenance of the roads within its borders. In all likelihood, with that kind of model, we would have smooth good roads in the wealthy towns, we would have a patchwork of mediocre roads in middle-income towns, and we would have very few roads if any at all in the poorer towns. Transportation, then, would become hostage to the vagaries of wealth and geography, commerce and travel would be difficult, and navigation of such a system would not serve the interests of our whole country.

That hypothetical, however, unfortunately, describes precisely the state of our school funding model. That is how we fund schools. We rely on local property taxes to find the money and then the States chip in some. And, at the national level, we say it is not our problem, it is not our responsibility, it is a State and local responsibility. I submit it is time for us to rethink that model and develop a new partnership, a partnership among all levels of government, that will allow us to rebuild and modernize our schools for the 21st century. Just as the national community through the Federal Government supports the highway system, but the State and local officials decide which roads are to be built and where they should go, I believe that we can, at the national level, help finance school infrastructure improvements while preserving local control of education. Those two concepts do not have to be tied to each other at the hip. If anything, we can look to local governments to do what they do best, which is to deal with where the school shall be and what the schools will teach and those kinds of issues at the local level; but at the same time, engage support from the national community, where we can perform best. We can access money easier. We can make it cheaper, we can make it available to the States so the States can help local school districts make those decisions.

So, we can address this issue. This amendment will engage the local, State and national resources in ways that preserve local control but at the same time maximize cooperation. At the national level, we will help to supply the funding. At the State and local levels, discussions will be had as to what schools and what features to address. Local control, I believe, will be enhanced by deemphasizing reliance on the local property tax to help solve a $112 billion national challenge.

I want, also, to share with the Members here this evening some of the comments from some of the endorsers of this legislation, because I think it is important to take a look at how it is that others who are concerned with education see this problem. I have to tell you, I was struck on my travels around Illinois, examining the crumbling school phenomenon in my State, how many instances I found the teachers and principals in classrooms, people in the school systems, just making do. If anything, the teachers and the school administrators, the people who have been involved with education and providing educational opportunity to our children, have had to make do over the last several decades, precisely because they did not have any options.

I saw schools with children learning, not in a classroom, huddling in the hallway. I saw schools in which the basements had been reconverted and cardboard, temporary walls put up to separate one class from another. I saw schools in which the computers were as old, almost, as Senator LAUTENBERG's computer system. They clearly were so outmoded and outdated that they were meaningless for the youngsters who were trying to use them; one school in which the youngsters could not use the computers because you had to turn the lights off in the entire building to keep from blowing a fuse when you plugged it in. We have computers here at the desk. We use computers in our work. Why can't we provide at least as much for our children?

I have to tell you also, some of the situations are almost—border on the tragic, with the condition of America's schools. There is a school in a part of my State, and I do not want to embarrass anybody by telling the story, but it is a fact, where the youngsters on the track team, instead of practicing at the track, because of the dilapidated and deteriorated condition of the gymnasium, had to go down the road to practice at the local prison. The prison had more modern track facilities. The youngsters on the track team had to go there for their practice because the school building was not adequate. Mr. President, as Americans, I know we can do better and we absolutely have to do better if we are going to preserve our Nation's competitiveness and preserve the quality of life that, as Americans, we have come to enjoy.

More to the point, if we are in any way going to meet the challenge of providing to the next generation of Americans at least as much as what our parents provided to our generation, I believe we have an absolute obligation to step up to the plate and help support State and local governments in meeting this $112 billion challenge that the GAO has documented.

The Children's Defense Fund writes a letter in support. I would like this letter to be printed in the RECORD.

> We simply cannot ignore the environment where nearly 52 million children spend so many crucial hours every weekday.

Again, recognizing this is a widespread phenomenon that affects all children.

As much to the point, in terms of not just affecting their ability to learn, what do we communicate to our children about the value of education? We preach, ''stay in school.'' We preach, ''It is important to get an education.'' Then we send them here. What do we tell them? What are we telling our children, when we consign them to environments in which no one can be expected to function—with leaky roofs and broken windows and floors that are rotting out from underneath them? I think we send them the absolute wrong message. We, in this Congress have, I believe, an absolute obligation to do something about it.

I have another letter here, which is interesting, from the Council of the Great City Schools. It says:

> The infrastructure needs of America's schools are complex and varied. Your bill does an excellent job in balancing these needs, in being flexible in how they are met, and leveraging other funds to expand the bill's impact.

Again, we are not looking to meet the entirety of the $112 billion challenge here. We are just taking a first step with the $5 billion of assistance which, going to States and local governments, can give leverage additional funds. It is estimated that this legislation will allow for States and local governments to leverage 20 billion dollars worth of funding to address this crumbling schools phenomenon.

This is from the National Association of State Boards of Education. They say, among other things:

> While our schools are literally falling down, they are also filling up. Total school enrollment, already at a record high, continues to increase. The student population in elementary and secondary schools is expected to rise 20 percent over the next decade, due to the demographic phenomenon known as the ''baby-boom echo.'' Overcrowding and the use of temporary portable classrooms have become commonplace across the country. New schools need to be built to accommodate this growing demand.

And then they say:

School construction is a State and local responsibility and should remain so, but their combined resources have been overwhelmed by the estimated $110 billion required to repair existing school facilities. Clearly, this is a national problem that deserves national attention. Federal involvement is consistent with the Government's historical role in promoting educational equity.

Again, I would point out this legislation will allow for the kind of flexibility to allow school districts with State and local governments to work with the national Government on behalf of this initiative.

The American Institute of Architects in their letter say:

By instituting a cooperative partnership between the Federal Government and local school districts, the school construction initiative provides Federal support for local oversight of school repair projects. The return on investment for improving the condition of our schools has many positive dividends as well.

By upgrading public school facilities in urban and rural areas alike, this nation can renew its commitment not only to a sound public infrastructure but can also ensure that succeeding generations will grow and prosper from an academic environment that is second to none.

Mr. President, there was a time when we made the investment in our schools. But we have forgotten about them. We forgot about them. Just as Marcie pointed out to Peppermint Patty, the roof leaking was something they forgot to mention to the school board.

So among the variety of issues in education that we face, I submit that the crisis of our crumbling schools is second to none. Our schoolchildren cannot be expected to learn if their schools are literally falling down around them. And only by addressing the repair of these schools, only by providing the kind of assistance that the State and local governments so clearly need in this instance will we be able to meet the challenge and really remedy the effects of decades of neglect.

The Associated General Contractors statement of policy says, and I would like to raise this as an issue also:

As a nation, we have invested $422 billion in our public schools. Now 74 percent of those schools are more than 25 years old and nearly one-third are more than 50 years old; 14 million children attend schools that need extensive repair or replacement. The General Accounting Office estimates that 112 billion dollars' is needed to refurbish our nation's schools. The Federal Government does not currently fund school construction. However, in light of the staggering needs and the importance of education to future generations, improving the quality of our schools should be a national priority.

Mr. President, that is what this amendment calls on the Members of this Senate to do, to make a statement that education, repairing our crumbling schools, is a national priority, that it is something we put value on and that we are prepared to step up to the plate and meet the challenge of the $112 billion worth of need that the General Accounting Office has already documented. In so doing, as we do so, we will provide our youngsters with an environment in which they can learn. We will provide them with an environment that says we value education. By sending our youngsters to these crumbling schools, schools that are falling down around them, we send a message to our children that education is not important to us, this is not something that is valuable to us.

In fact—and I do not mean to be critical—there was a cartoon, another cartoon today by Herblock, who is a famous cartoonist, which says, ''I hear President Clinton wants to spend money to send more people to college—What is College?'' And then in the back it says ''City School.'' The doors are falling; the bricks are falling; it is in general disrepair.

This is the situation we see all over this country. Obviously, while we support it, and higher education is important, it is not inappropriate for us to recognize that we have the capacity to engage in a partnership with State and local governments to give them the help they need.

Flexibility is a very important buzzword around these parts these days. Everybody wants arrangements to be flexible. Everybody wants the Federal Government to turn things over to the States. I think that is wonderful, and I have supported that. But at the same time flexibility has to be a two-way street, one in which the State and local governments can come to us for help and as a national community we engage in behalf of our national priorities. Clearly, giving our children an environment that is suitable for learning ought to be a national priority, and that is why this amendment seeks to start us on a path toward providing this opportunity.

Winston Churchill once said, ''We shape our buildings; thereafter, they shape us.''

Well, Mr. President, nowhere is that more important than in the schools. The poor condition of America's schools has a direct effect on the ability of our students to learn the kinds of skills they will need to compete in the 21st century, global economy. Our children cannot compete if they cannot learn, and they cannot learn if their schools are crumbling down around them. So this amendment would ensure that school districts around the Nation are provided some assistance—some assistance, not a lot; $5 billion out of a $112 billion starting price tag is not a lot of money, but it certainly is money well spent and will give us the ability to begin to address this problem that has crept up on us.

So, Mr. President, I encourage support of the amendment. Again, it should not conflict with the objectives of this balanced budget agreement. If anything, as the Chair may know, I am a supporter of the balanced budget. I supported the balanced budget amendment. I very much applaud the negotiators for reaching an agreement that reaches balance. I think it makes sense to do it. But as we do so, it is important that we not also throw the baby out with the bath water, as it were, that we also not forget that our priorities ought to start with providing our youngsters with the opportunity and the environment they need in which to learn.

I ask unanimous consent that the series of letters and statements I referenced earlier be printed at this point in the RECORD.

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

CHILDREN'S DEFENSE FUND,
Washington, DC, May 21, 1997.

Hon. CAROL MOSELEY-BRAUN,
Senate Hart Building,
Washington, DC.

DEAR SENATOR MOSELEY-BRAUN: I commend you on your initiative to restore funding to the budget agreement for school construction and renovation.

It is clear that the physical condition of many of our nation's public elementary and secondary schools is deteriorating. Over 14 million students attend schools that need major renovation or outright replacement. Some 7 million children attend schools with life safety code violations. About 12 million children attend schools with leaky roofs. In communities in every state, schools are crumbling and children struggle to learn in unsafe conditions. At the same time, schools are not equipped to use modern technology. The General Accounting Office (GAO) has estimated that it would cost more than $112 billion to renovate and upgrade our children's schools.

While in the past school construction and renovation have been state and local responsibilities, given the magnitude of the challenge that states and localities face, I believe that we need a new partnership. Certainly the federal government is not the sole answer. However, a federal role in partnership with states and localities as proposed in your amendment makes sense. We simply cannot ignore the environment where nearly 52 million children spend so many crucial hours every weekday.

Children need your amendment. If I can provide any assistance to you, please let me know.

Sincerely yours,
MARIAN WRIGHT EDELMAN.

COUNCIL OF THE
GREAT CITY SCHOOLS,
Washington, DC, April 7, 1997.

Hon. CAROL MOSELEY-BRAUN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MOSELEY-BRAUN: On behalf of the Council of the Great City Schools, a coalition of the nation's largest urban public school systems, I am writing to give our enthusiastic endorsement for your new school infrastructure initiative, ''The Partnership to Rebuild America's Schools Act''.

The infrastructure needs of America's schools are complex and varied. Your bill does an excellent job in balancing those needs, in being flexible in how they are met, and in leveraging other funds to expand the bill's impact. The measure is also strong in allowing construction, repair and upgrading. Finally, the bill does a particularly good job at targeting scarce federal money to where the needs are greatest, the nation's poorest communities.

This proposal, first outlined last summer, is one of the boldest and most helpful initiatives ever introduced in the U.S. Senate. It addresses one of America's most severe domestic needs and does so in a way that has real promise for success. Thank you for your leadership both in calling attention to the needs in school repair and renovation and in shaping a program to meet them.

America's Great City Schools are resolute in our support of your proposal. And we will strongly encourage Congress to support it. Our children deserve what this bill proposes.

Again, thank you for your leadership and advocacy. Please let us know if we can be helpful to you in this critical effort.

Sincerely,

MICHAEL CASSERLY,
Executive Director.

THE AMERICAN INSTITUTE OF ARCHITECTS,
Washington, DC, May 7, 1997.

Hon. CAROL MOSELEY-BRAUN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MOSELEY-BRAUN: The American Institute of Architects (AIA) wishes to commend the sponsors of S. 456, ''The Partnership to Rebuild America's Schools Act of 1997.'' In order to adequately meet the challenges of the 21st Century, America's elementary and high school students need a modern and safe environment.

As the saying goes, ''a picture says a thousand words.'' Hopefully, the photographs received from various school districts around the country will convey the urgency for repairing and modernizing the physical structure of our public schools. By initiating a cooperative partnership between the federal government and local school districts, the school construction initiative provides federal support for local oversight of school repair projects. The return investment for improving the condition of our schools has many positive dividends as well. By upgrading public school facilities in urban and rural areas alike, this nation can renew its commitment not only to a sound public infrastructure, but can also ensure that succeeding generations will grow and prosper from an academic environment that is second to none.

The AIA looks forward to working with Congress and other organizations in the months ahead so that America's schools have the resources necessary to provide the quality education our students so richly deserve.

Sincerely,

RAJ BARR-KUMAR,
1997 AIA President.

NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION,
Alexandria, VA, April 10, 1997.

Hon. CAROL MOSELEY-BRAUN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MOSELEY-BRAUN: The National Association of State Boards of Education (NASBE) is a private nonprofit association representing state and territorial boards of education. Our principal objectives are to strengthen state leadership in education policymaking, promote excellence in the education of all students, advocate equality of access to educational opportunity, and assure responsible governance of public education.

We are writing to express our support for federal assistance in the area of school construction. As you are no doubt aware, the deterioration of America's school infrastructure has reached crisis proportions. A Government Accounting Office report found that one-third of all U.S. schools are in need of extensive repairs or replacement and 60% have at least one major building deficiency such as cracked foundations, leaky roofs, or crumbling walls. We cannot expect our children to learn much less excel in such decrepit and unsafe environments.

NASBE has been concerned about the issue of school construction for some time. In the fall of 1995 we began a one-year study of the condition of school infrastructure. The result was a comprehensive report which I have enclosed entitled, Building Our Future: Making School Facilities Ready for the 21st Century. I commend it for your review.

While our schools are literally falling down, they are also filling up. Total school enrollment, already at a record high, continues to increase. The student population in elementary and secondary schools is expected to rise twenty percent over the next decade due to the demographic phenomena known as the ''baby boom echo.'' Overcrowding and the use of temporary, ''portable'' classrooms have become commonplace across the country. New schools need to be built to accommodate this growing demand.

School construction is a state and local responsibility, and should remain so, but their combined resources have been overwhelmed by the estimated $110 billion required to repair existing school facilities. Clearly, this national problem deserves national attention. Federal involvement is consistent with the government's historical role in promoting educational equity.

We applaud both you and President Clinton for your efforts to address this critical situation by proposing a $5 billion federal investment to spur school construction, recently introduced as legislation in the Senate and House as S. 456 and H.R. 1104 respectively. NASBE is encouraged by this action and we look forward to working with congressional leaders like yourself and Administration officials in fostering a partnership between federal, state and local entities to improve the learning conditions of American children.

Sincerely,

BRENDA L. WELBURN,
Executive Director.

[Excerpt from Associated General Contractors Statement of Policy]

INFRASTRUCTURE NEEDS

Invest in safe schools for our children—As a nation, we have invested $422 billion in our public schools. Now, 74% of those schools are more than 25 years old and nearly one-third are more than 50 years old. 14 million students attend schools that need extensive repairs or replacement. The General Accounting Office (GAO) estimates that $112 billion is needed to refurbish our nation's schools. The federal government does not currently fund school construction. However, in light of the staggering needs and the importance of education to future generations, improving the quality of our schools should be a national priority.

Mr. LAUTENBERG addressed the Chair.

Ms. MOSELEY-BRAUN. Mr. President, I would be happy to yield. I would not like to lose any of my time.

The PRESIDING OFFICER. The Senator may reserve her time.

Under the previous order, the Senator from Florida has the next amendment.

Mr. LAUTENBERG. Is the Senator finished?

Ms. MOSELEY-BRAUN. Yes. Thank you, Mr. President. Reserving my time, I will yield the floor.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, with great reluctance I rise in opposition to the amendment. I do so only because, with the necessities of education, we have to establish certain priorities. There is no question but that rebuilding the infrastructure is an important priority. But there are others that at this particular time I think have to take priority.

I do appreciate, for instance, in the city of Washington this body, Congress, has a certain obligation to restore the schools. That is about $2 billion that we are going to have to find a way to fund in order to bring this city back to where it ought to be.

On the other hand, there is somewhere around $120 billion in infrastructure repairs necessary in this country. How we get that I do not know. I do know that $5 billion would start it, but there are other priorities—and I will tick off a number of those priorities—for which we could use these resources better.

First of all, as the body probably knows, I voted in favor of expanding the amount of money that will be available by supporting the Hatch-Kennedy bill. If that money were available, it might tend to change my position. But when I look out there right now, our most immediate needs are trying to get the educational system in order to provide the kind of skilled labor we need in this Nation. That means we have to change the K through 12 programs by professional development in order to give us the math standards we need in order to provide the skilled labor force. This is going to take a considerable amount of immediate resources.

In addition to that, getting our schools up to speed with respect to the technical aspects of computers and other means of being able to improve access to modern technology, to improve the schools, would take about $16 billion. In addition to that, it would take about $8 billion a year to keep them up to snuff.

Another area we have to deal with is higher ed as well. We already know that we have incredible problems in that respect. Most importantly are worker training areas. Right now, in order to provide the work force for the future, we have to find ways to, first of all, provide sufficient additional remedial help so that our young people who graduate will be ready to go to work in skilled labor. We do not have those resources yet.

We will be passing out a worker training bill, and we will be needing resources in order to do that. We have created another huge priority in this Nation, and that is taking the welfare people who are involved in receiving benefits, to train them and retrain them in order to have jobs. That is incredibly important, and it has to be done. That is going to take other billions of resources.

So although I sympathize with the amendment, I strongly believe the resources at this time that we do have available would have to be placed in slightly different order than would enable us to try to take care of the huge backlog and which has traditionally been accepted as the responsibility by the State and local governments. For those reasons, Mr. President, I oppose the amendment.

Mr. JOHNSON. Mr. President, I rise in support of Senator MOSELEY-BRAUN's amendment to the Budget Resolution that would provide $5 billion for a national school construction initiative. I would like to commend Senator MOSELEY-BRAUN for her leadership on this issue, and I would also like to thank Senators KENNEDY and HARKIN for their fine efforts to address this critical problem.

Mr. President, I am pleased to be a cosponsor of this amendment. Crumbling schools are not just an urban problem. They are a nationwide problem, and rural areas are no exception. In fact, 30 percent of schools in rural areas report at least one inadequate building feature.

A 1996 report by the General Accounting Office found that in my home state of South Dakota, 25 percent of schools have inadequate plumbing, 21 percent of schools have roof problems, 29 percent have ventilation problems, and 21 percent percent of schools are not meeting safety codes.

We have adopted a nationwide goal of trying to connect every school building in the country to the internet. Teaching our children to use new this technology is critical for preparing them for the 21st century. Yet, in my home state, 22 percent of schools have inadequate electrical wiring. In their present condition, these schools cannot accommodate computers in the classroom.

South Dakota's tribal schools also face very serious facilities problems and major construction backlogs. There are nine federally recognized tribes in South Dakota. At the same time, my State has 3 of the 10 poorest counties in the nation, all of which are within reservation boundaries.

With 56 percent of its people under the age of 24, the native American population in this country is disproportionately young when compared the American population overall. This population strains existing school facilities. The BIA estimates that there is a construction backlog of $680 million in its 185 elementary, secondary and boarding schools serving Indian children on 63 reservations in 23 States. Of these schools, 63 percent are over 30 years old; 26 percent are over 50 years old. Annual appropriations for BIA education facilities improvement and repair have averaged $37 million annually, which unfortunately meets only 5 percent of total need.

Nationwide, the statistics are similarly ominous. Crumbling schools are a problem of enormous magnitude. Fourteen million children attend classes in buildings that need major repair or renovation. Seven million children go to school in buildings that have safety code violations. Sixteen million children study in classrooms without proper heating, ventilation, or air conditioning.

It is nearly impossible to measure the impact that these conditions have on students' ability to learn, but there is no doubt that the impact is severe.

Clearly, there is much we can do to improve our existing school building infrastructure. But that is only part of the problem. Our Nation is experiencing significant growth in school enrollment. Estimates are that we will need to build 6,000 new schools by the year 2006 if we want to keep class sizes the same as they are presently.

This amendment would allocate $5 billion to the House and Senate committees of jurisdiction to devise a school construction and renovation initiative. We are not mandating a specific approach in this amendment. Rather, we hope that this $5 billion Federal contribution can be used in partnership with State and local efforts to leverage over $20 billion of dollars of construction activity nationwide. An effort of this magnitude would benefit our students for generations, and I am proud to support this amendment.

Mr. REED. Mr. President, I rise as a cosponsor and strong supporter of Senator MOSELEY-BRAUN's school infrastructure amendment.

One of the major problems facing elementary and secondary education today is the poor condition of our school buildings. In my home state of Rhode Island, many schools are in need of extensive repairs and upgrades.

I have visited several of these schools, including the Harris Elementary School in Woonsocket which was built in 1876. To put this in perspective, in 1876 the nation celebrated the centennial of the United States; Rutherford B. Hayes was elected President by one vote; Custer confronted the Sioux at Little Big Horn; Alexander Graham Bell transmitted the first complete sentence by voice over wire; Henry Heinz put ketchup in a bottle; and Colorado became the 38th State.

Sadly, the Harris Elementary School's library is a small trailer parked in the school's playground. In addition, I have received compelling footage of the condition of the schools in North Providence, including the Stephen Olney School, which has asbestos in the floors and water damaged classrooms, and the Centredale School, which has leaking classroom ceilings.

These examples and numerous others across my State and the Nation show the urgent and real need for a school construction initiative. A problem of this magnitude demands a Federal response.

Indeed, a recent General Accounting Office (GAO) report found that in Rhode Island 29 percent of schools report at least one inadequate building of any type; 61 percent have at least one inadequate building feature; 75 percent have at least one unsatisfactory environmental factor, such as heating and ventilation; and 37 percent have insufficient capability for computers.

Nationally, the statistics are equally compelling. Fourteen million children, in one-third of the Nation's schools, are learning in buildings that need major renovations or should be replaced outright. Seven million students attend schools with safety code violations, such as the presence of lead paint, asbestos, or radon in the walls, floors, or ceilings. One-third of students study in classrooms without electrical wiring and power outlets to accommodate computers and multimedia equipment.

We should not pass up this opportunity to repair our Nation's schools.

While the budget resolution before us does include some increases in education funding and provides protection for important education initiatives, the agreement's caps on discretionary funding do not guarantee room for the school construction initiative. The same may also be the case for school reform and efforts to improve the recruitment, education, and mentoring of teachers, for which the National Commission on Teaching and America's Future report, What Matters Most: Teaching for America's Future, suggests almost $5 billion is needed.

I urge my colleagues to support the Moseley-Braun amendment, which seeks to make $5 billion available for school repair, renovation, and construction. Indeed, this must be a top priority as we work to provide students a quality education and prepare them for the future.

Thank you, Mr. President.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair.

Mr. President, I find myself in a very difficult position.

First, I commend the Senator from Illinois for her interest not only in school construction, the infrastructure for schools, but her view about investments in children, about what it is going to take to help our society stabilize, about what it is going to take to avoid criminality and violence that we see so freely around our country. She has been a leader on those issues for children. She is always discussing what it is that we have to do to make certain that children will grow up as contributing adults with a prospect for their own successes.

It is consistent with her views on what we ought to be doing for the children in our country to be concerned about the schoolhouses they attend.

Senator MOSELEY-BRAUN has made too many speeches, written so much about what the alternative to incarceration and prosecution is, and it is investment in our kids. If there is not a

particularly identifying view of what we ought to be doing for our children than a bunch of broken down schoolhouses, then I would tell you there is nothing else.

I am a member of the Budget Committee, the senior Democrat on the Budget Committee, and as I said, this is a painful point at which I find myself. We have a consensus budget resolution. It took a lot of work. I was surprised, I must say, when I saw the agreement in its final form because I was expecting that there would be some funds reserved for improvement of the school facilities around the country. I did not think at the time that the original $5 billion request was held, but I thought it might be somewhere in the vicinity of $3 billion, certainly not enough to make a dent when we consider that the GAO estimate, as the Senator from Illinois mentioned, is that there is $112 billion needed to bring our schools up to date.

Now, I happen to come from a highly urbanized State, a State in which we have more than a fair share of poverty.

Our cities, and we have many of them, are among the poorest in the country—Newark, Camden, Paterson, my birthplace, I think is the fifth poorest city in America. I visit my old hometown, if I can call it that, on a fairly regular basis. It is often said here that we do these things, but I happen to go to the same barbershop that I have been going to since I was in college—and that was some years ago—and the barber is still cutting. Even if he misses a few hairs here and there, I don't care, but it takes me back to the city of my birth.

I have a lot of sentiment attached to that city because they were hard-working people, people who were determined to have their children succeed and invest whatever they could in terms of personal involvement in the development of those kids. School was the No. 1 thing. That was always the concern of the parents.

I can tell you, I don't like to admit this publicly, but I was a truant one day, and it was just my luck my father found out. I was never truant again. I visited that school just last week because I was helping them establish the connections they needed to get ultimately into the Internet, the schools being wired. My old company paid for the wiring of the schools in Paterson where our company started because my partners, like I, came from poor working-class families. I remember what it was like living that way, not particularly enjoying anything but the memory of good family life. So we helped to get the schools wired in the city.

When I was there, I was struck by the horrific condition of not that schoolhouse, not that school building in particular, but others in the city, with signs of almost war-type devastation, with broken windows and things of that nature.

I am also, since I was very active on the environment committee, conscious about the hazards to the health of the children. Forget about the disruptions to learning, for the moment—asbestos, lead paint, things that you would not permit your children to be near, to fiddle with if you had any way around it.

So when I think of the amendment proposed by the Senator from Illinois, I say, yes, it is difficult for me. I am going to support the amendment that the Senator is offering in hopes that we can find some way to finance it. The amendment, I understand, includes a source for the funding coming from where, may I ask, reduction of tax cuts?

Ms. MOSELEY-BRAUN. That is correct. It is not specific. It raises the revenue floor by $5 billion.

Mr. LAUTENBERG. The Senator is on the Finance Committee.

Ms. MOSELEY-BRAUN. That is correct.

Mr. LAUTENBERG. She will have the task of having to find a way to do it, because I think that it is probably not going to be allowable in the budget resolution.

Ms. MOSELEY-BRAUN. Will the Senator from New Jersey yield? This is the book, ''Reducing the Deficit: Spending and Revenue Options.'' It is kind of a loophole cookbook, and I am certain that in the course of the Finance Committee's deliberations that we can find $5 billion here that will make up for the difference, so that will provide the funding stream for this.

I very much appreciate the Senator from New Jersey. You have seen the realities, you have seen what these children have to live through and live with. You know that they cannot go into the information age based on the kind of environment we are providing them.

Mr. LAUTENBERG. They cannot even go sometimes to the age of civilization in some of these facilities.

Ms. MOSELEY-BRAUN. That is correct.

Mr. LAUTENBERG. They are firetraps. They are insecure at a time when security is high in the consciousness list. So I hope a source can be found that doesn't violate the basic construction we put into this budget resolution.

I commend the Senator from Illinois for her dedication, for her determination to bring this problem foursquare in front of us and try and solve it.

The statistics are so terrible that if you look at them, they begin to lose their significance: 30 percent of the children not having adequate heating and ventilating; 24 percent—other schools without adequate plumbing. The list goes on. That is just the physical eyesore that is out there that you would expect to be something resembling a decaying factory and not a facility that is being used by youngsters who are trying, with the help of often inadequate supervision, to try and find some life for themselves that they can follow and get through. If you walk into a place that is a dump, it is not going to lift your spirits to start your day.

With that, Mr. President, I yield the floor and just remind everybody that we now have other amendments in order and that this amendment will be voted upon. As I understand it, there is a UC that allots the remaining time for use in the morning.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator is correct. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Madam President, that is correct, and we will take this up, again, in the morning as part of the vote.

I just want to say in closing, it is a funny thing, reality really does have a ring about it that is unavoidable, and I don't think there is anyone in this Chamber or anyone who is a Member of this Senate who, if they spent the time to go around in their own States and visit the schools there, elementary and secondary schools, will deny the validity of what the GAO has told us is true.

Everyone knows about the crumbling school problem, and if you talk to your constituents or visit schools in your area, you will find it there. That is what is so stunning about this issue. It is not an inner-city issue, it is not a Midwestern issue, it is an American issue, and it affects every kind of community and every kind of child. If, indeed, we are going to turn our back and say we have other things to do, we are too busy to get around fixing the window but we want you to meet these standards, we are not going to help these States meet this $112 billion burden, but we are going to give them all the flexibility in the world, or we are not going to give the local governments—the local communities that are taxing themselves the most and are having the hardest time repairing these crumbling schools.

That is what is so compelling to me in engaging this new partnership in which we don't take over Federal educational content. No one is looking to do that. It is appropriate that local governments deal with what kind of schools they have and what the children learn, the conditions and the teachers and the curriculum and those kinds of things. I think that is appropriate. So we are not talking about the Federal Government taking over anything, but rather, in this air of flexibility, saying we are prepared to be responsible and give the flexibility and help States and local governments meet this $112 billion challenge, because, indeed, our very national security is at risk. We will not be able to stay the greatest country in the world in this global economy in the world if we send our children to schools where even Peppermint Patty gets rained on in the classroom.

I thank very much the Senator from New Jersey. I thank my colleagues.

Madam President, I inquire, how much time is remaining on this amendment?

The PRESIDING OFFICER. The Senator from Illinois has 27 minutes; the

Senator from New Mexico has 56 minutes.

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

The PRESIDING OFFICER. Does the Senator yield?

Ms. MOSELEY-BRAUN. Will it come from my time?

Mr. NICKLES. It will come from our time.

Ms. MOSELEY-BRAUN. Certainly.

Mr. NICKLES. Does the current law, Davis-Bacon, apply as well? You mentioned flexibility, but would the schools who do the building or do the maintenance also have to comply with Davis-Bacon regulations?

Ms. MOSELEY-BRAUN. That is not addressed specifically in this amendment. However, Federal contracting rules would apply, but the States and local governments would have to come forward with their own contracting rules. The question has been raised about Davis-Bacon, to be honest. We don't yet have, since the funding formula has not been worked out in terms of Federal funding of infrastructure and State and local funding of infrastructure—

Mr. NICKLES. But there is no exemption from Davis-Bacon?

Ms. MOSELEY-BRAUN. No, there is not.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Ms. MOSELEY-BRAUN. I control the time still.

The PRESIDING OFFICER. The Senator from Illinois controls the floor.

Ms. MOSELEY-BRAUN. My understanding is the Senator wanted to ask a question.

Mr. NICKLES. No, I want to speak on the amendment.

Ms. MOSELEY-BRAUN. Let me say this, the amendment does not go to those contracting rules, and, again, I think the issue of Davis-Bacon and those arguments which would take up all the time in connection with Federal highway projects is not a relevant issue with regard to this effort in behalf of rebuilding crumbling schools.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Madam President, I rise in opposition to the amendment, and in answer to the question, obviously Davis-Bacon applies, because all Federal contracting dealing with Federal money would apply. We would have the Federal Government setting wage determination rates. So I object to this amendment for that reason, but also for other reasons. The Federal Government does not have a primary responsibility of trying to build new schools or to rebuild schools. That is not a Federal responsibility.

Some people say, ''Well, we need more education money, we need more education programs.'' We have 788 education programs spending $98 billion a year spread all throughout the Government. One that we don't have, if we adopted the Senator's amendment, would be a $5 billion school building program. That is one program we do not need, and we cannot afford.

Schools are the primary function of State and local government, and to build or rebuild or to figure out which schools should be rehabbed, that really should be decided by local and State government. That should not be decided by Washington, DC. Contingent with that money comes Federal strings, regulations, such as Davis-Bacon. The Federal Government would be determining what the wage rates would be to comply, to rehab the school building. Some of those wage rates are outlandish in comparison to what is normally paid for schools or for other buildings and projects in those areas.

With greatest respect for my colleague from Illinois, I know her intentions are very sincere and I know a lot of schools need to be rehabbed, I know a lot of schools need to be replaced, I know a lot of schools are in pathetic shape, but it is not the function or responsibility of the Federal Government to try and solve all the problems and certainly not the construction of local schools or the rehab of local schools, which, I might mention, $5 billion would hardly scratch the surface. Then we would have to have the Federal Government determine if the needs in the hundreds of billions of dollars—how is the Federal Government going to determine who wins and who loses? I imagine you could spend $5 billion for school renovation in the State of Texas alone. Quite possibly, I imagine the State of Illinois alone.

So you have all this competition amongst the various schools and States for who is going to get this money. This is not a function for the Federal Government. The 10th amendment to the Constitution says all other rights and powers are reserved to the States. We should certainly leave this one, school construction and renovation, to the States and to the localities, not to the Federal Government.

I yield the floor.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you, Madam President. In the first place, what we are talking about fixing are our Nation's schools.

I think we can have a separate debate, a separate vote on the merits of paying workers prevailing wages. But I would point out to my colleague that some 32 States, many cities and townships, already have their own prevailing wage laws affecting school construction. And frankly, any school district that is receiving Federal Impact Aid funding today is already subject to Davis-Bacon.

Now, the truth is that Davis-Bacon applies to Federal highway construction, and few people argue that the Federal Government has no role in highway construction.

I ask my colleague, what is the difference? If the highways were in this kind of condition, clearly there would be a rush to create a partnership so that we can provide support in order to support transportation in our Nation. But the schools are in this condition. And the Senator is suggesting that we turn our backs and say it is up to the States and local governments to do it by themselves.

I think the pictures and the debate about this issue demonstrate very clearly that they have not been able to do it by themselves, and it has not been through want of trying. It is not as though school districts have deliberately set out to put children in classrooms that look like this. It is not as though local school boards have not wanted to vote the money to provide for the schools.

The Senator from Vermont knows full well that with the District of Columbia schools you see the condition. And it is not as though the people here in D.C. did not want to make certain the windows were fixed, but they had other emergencies. That is the exigencies of education they had to meet first: classrooms, textbooks, lighting, the basics, teacher salaries. So the funds have gone to that. And maintenance has been deferred time and time again.

Again, of the 50 percent of the schools in this country that are over 50 years old, in all too many instances those schools have suffered just about that same amount of neglect and deferred maintenance. Well, as with maintenance of anything else, it just gets worse as the problem gets older.

This problem is going to get worse and worse over time. And school districts have been trying. In fact, one of the reports by the General Accounting Office talked about the fact that school districts that have the least try the hardest and that they have been trying to meet these infrastructure needs, but all too often have not been able to. They cannot go into the capital markets to borrow money at favorable rates because they do not have the bond rating. So the result is classrooms that look like this.

So I will just suggest to my colleagues that this is not in any way about Washington telling school districts what classrooms to fix or what schools to rebuild or where to put the construction effort. In fact, the whole idea is to have that kind of decisionmaking start at the local level and start and stay at the local and State level. That is the point of their decisionmaking. All we would do as a national community is to give financial assistance in ways that will allow these local districts to leverage additional money to meet what is clearly their local need on the one hand but, in the final analysis, is our entire need.

If one community or another cannot afford to provide their youngsters with laboratories in which their youngsters

can learn chemistry, how can we expect to be competitive in a global economy, in global competition? If a community cannot afford it and is being taxed to the maximum extent, and they just do not have the money to address the basics of the rain coming through the window or the roof leaking, how can we expect these youngsters to learn, even assuming for a moment there are other program priorities that the Federal Government has traditionally taken up with regard to elementary and secondary education?

Of course, our role has always, as a national community, been limited in elementary and secondary education. But even assuming for a moment that there are other priorities, I daresay, it should go without argument that ought to be a priority also. Our kids cannot learn, they cannot take advantage of whatever those other priorities are in schools that are literally falling down around them.

We are going to take a vote on this tomorrow morning. There will be some further debate about it tomorrow morning. I encourage my colleagues to take a close look, to call home, to check out what is going on in your own States, because this is a problem that, again, is national in scope, but it particularly goes to the well-being and the access to educational opportunity for every child in this country.

I yield the floor.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. Madam President, I would point out that the primary responsibility for this construction lies with the States, and that if we were to go on in a new venture to pick up the responsibility of reconstructing the schools in this country of about $115 to $120 billion, that obviously would create a huge change in our priorities.

Mr. JEFFORDS. Madam President, I understand that under the unanimous-consent order, the Moseley-Braun amendment is now set aside.

The PRESIDING OFFICER. Without objection, it will be set aside.

Mr. JEFFORDS. Madam President, I have a motion at the desk.

The PRESIDING OFFICER. The order agreed to was to recognize the Senator from Florida at this time.

Mr. MACK. Madam President, I have no objection to allowing the Senator from Vermont to proceed at this point.

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

Mr. JEFFORDS. I will be very brief.

I thank my good friend from Florida for allowing me to do this.

AMENDMENT NO. 337

Mr. JEFFORDS. I have a motion at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS] for himself and Mr. COATS, moves to recommit S. Con. Res. 27 to the Committee on the Budget with instructions to report the same back to the Senate forthwith with the following amendments:

Strike the reconciliation instruction for the Committee on Labor and Human Resources.

Adjust the reconciliation instructions for the Committee on Finance to reflect an increase in revenues of $1,057,000,000 for fiscal year 2002 and $1,792,000,000 for the period of fiscal years 1998 through 2002.

Mr. JEFFORDS. Madam President, so I do not sound totally inconsistent with the arguments I just made, I would let it be known that I intend to withdraw my amendment at the conclusion of my statement.

I rise today with my good friend from Indiana, Senator COATS, to offer this motion. What this does is to remove the reconciliation instructions from the budget bill, the reconciliation instructions of my own committee. The reason for that is that this would require us to reduce the aid for our higher ed students.

I would remind everyone that last year this body greatly reduced the instructions then of some many billions of dollars and sent it over to the House. They came back and refused to go along. And this body voted 99 to 0 to insist upon the Senate's position. That resulted in restoring almost all of the money to the higher ed area.

The only area that my committee, the Labor and Human Resources Committee, has any money that is in the reconciliation area is with respect to the higher ed funding of our student loans. The budget agreement as recently written cuts the student financial aid account by $1.8 billion over 5 years. I would note that that is substantially lower than last year. We end up, even after all the reductions from about $19 billion down, we still ended up with $4 billion. So I commend the Budget Committee for coming back with half of what was required last year.

Our motion would restore these funds however and remain budget neutral by providing for adjustment on the revenue side of the agreement. I think it is important to remind my colleagues of the central importance that student aid plays in our children's future.

The balanced budget agreement is dependent upon increases in working productivity and in future economic growth. This growth in turn is dependent upon the quality and availability of a well-educated work force.

Let us take a minute to reflect on the facts regarding the economic impact, the higher education impact upon Federal aid to student participation. Participation in higher education is one of the most dramatic predictors of economic success.

As you can see from this chart—the chart I would have had but do not have—that shows dramatically that the more education you have, the more economic availability you have.

With a high school degree, your high range is at $43,000. If you have a bachelor's degree, it is $73,000. And if you have a doctorate, it goes well above that.

In the past years, only those that had postsecondary education have been able to stay even with the cost of living. And only those with doctorates and masters degrees have improved their standard of living.

So it is incredibly important we provide the access of our young people to go to higher education. The postsecondary, as I referred to it now—we have given much emphasis on the higher education without keeping in mind the postsecondary training education that is available.

Federal financial aid plays an essential role in allowing students from low and middle income families to attend community colleges and universities. Thirty-six percent of all students receive some form of Federal financial aid in order to allow them to attend college. This Federal investment is returned many times over in increased economic productivity and income in Federal taxes. Without this aid, however, many of the students would not be able to fulfill their dreams to attend college.

Mr. COATS. Madam President, education is, for many of us, a top priority. S. 1, the first bill introduced in the 105th Congress evidenced that fact. The rhetoric from our President would seem to indicate that education was also his top priority, yet at this very moment he is supporting a budget which will result in a decrease of $1.8 billion to student aid programs. I rise today to support the Jeffords motion which ensures access to educational opportunities for all Americans.

Since the early 1980's, the price of going to college has increased at more than twice the rate of inflation; growing even more rapidly than the cost of health care. This is the chief reason that a college education is unaffordable for American families.

Initiatives, such as those included in S. 1, provide tax relief for families, encourage planning for the future through the use of college savings accounts, and build on already successful programs, such as Federal student loans and work study. These initiatives deserve our support. Unfortunately, the budget that we are considering today will make it virtually impossible to adequately provide these critically important programs to students and their families.

I encourage my colleagues to join Senator JEFFORDS and I in this firm resolve to protect higher education programs, thereby ensuring that all students have access to post-secondary educational opportunities. Access to higher education is critical and should not be compromised in this budget resolution.

Mr. JEFFORDS. I would again ask Members to keep in mind the 99 to 0 vote which occurred last year that said we should not do anything that impacts in the ability of our students to attend higher education. So I will ensure that the reconciliation that we send, if anything, will make sure that

it does not in any way hinder the ability of students to attend higher education.

I ask unanimous consent to withdraw my motion at this time.

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

The amendment (No. 337) was withdrawn.

Mr. JEFFORDS. I yield the floor.

AMENDMENT NO. 315

(Purpose: To express the sense of the Senate that the Federal commitment to biomedical research should be doubled over the next 5 years)

Mr. MACK. Madam President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. MACK], for himself, Mrs. FEINSTEIN, Mr. KENNEDY, Mr. FRIST, Mr. D'AMATO, Mr. DEWINE, Mrs. BOXER, Ms. COLLINS, Mr. DURBIN, Mr. REID, Mr. BREAUX, Mr. SPECTER, Mr. HARKIN, and Mr. DORGAN, proposes an amendment numbered 315.

Mr. MACK. Madam 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 appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE NATIONAL INSTITUTES OF HEALTH.

(a) FINDINGS.—Congress finds that—

(1) heart disease was the leading cause of death for both men and women in every year from 1970 to 1993;

(2) mortality rates for individuals suffering from prostate cancer, skin cancer, and kidney cancer continue to rise;

(3) the mortality rate for African American women suffering from diabetes is 134 percent higher than the mortality rate of Caucasian women suffering from diabetes;

(4) asthma rates for children increased 58 percent from 1982 to 1992;

(5) nearly half of all American women between the ages of 65 and 75 reported having arthritis;

(6) AIDS is the leading cause of death for Americans between the ages of 24 and 44;

(7) the Institute of Medicine has described United States clinical research to be ''in a state of crisis'' and the National Academy of Sciences concluded in 1994 that ''the present cohort of clinical investigators in not adeuqate'';

(8) biomedical research has been shown to be effective in saving lives and reducing health care expenditures;

(9) research sponsored by the National Institutes of Health has contributed significantly to the first overall reduction in cancer death rates since recordkeeping was instituted;

(10) research sponsored by the National Institutes of Health has resulted in the identification of genetic mutations for osteoporosis; Lou Gehrig's Disease, cystic fibrosis, and Huntington's Disease; breast, skin and prostate cancer; and a variety of other illnesses;

(11) research sponsored by the National Institutes of Health has been key to the development of Magnetic Resonance Imaging (MRI) and Positron Emission Tomography (PET) scanning technologies;

(12) research sponsored by the National Institutes of Health has developed effective treatments for Acute Lymphoblastic Leukemia (ALL). Today, 80 percent of children diagnosed with Acute Lymphoblastic Leukemia are alive and free of the disease after 5 years; and

(13) research sponsored by the National Institutes of Health contributed to the development of a new, cost-saving cure for peptic ulcers.

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

(1) appropriations for the National Institutes of Health should be increased by 100 percent over the next 5 fiscal years; and

(2) appropriations for the National Institutes of Health should be increased by $2,000,000,000 in fiscal year 1998 over the amount appropriated in fiscal year 1997.

Mr. MACK. I ask unanimous consent that no second-degree amendments to this amendment be in order.

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

Mr. MACK. Madam President, I offer this amendment on behalf of myself and the following Senators: Senators FEINSTEIN, KENNEDY, FRIST, SPECTER, HARKIN, D'AMATO, DEWINE, BOXER, COLLINS, DURBIN, REID, BREAUX, and DORGAN.

Madam President, let me quickly state the amendment is a sense-of-the-Senate resolution. Let me just say to my colleagues that I recognize that what we are doing here is merely making a statement. But I think it is an important statement to be made.

This has to do with a sense of the Senate about doubling the investment in the National Institutes of Health over the next 5 years.

It further States that it is our intent that the investments of the National Institutes of Health be increased by $2 billion in this next fiscal year.

I begin my remarks, as I do often about this issue, by speaking about my own personal experiences, in essence, what motivates me to offer this sense-of-the-Senate resolution.

Before I get into those kinds of personal feelings, maybe I ought to share with my colleagues an experience that I had just a few months ago, the last hearing that the Senate—at least I believe it was—the last hearing that the Senate held in the 104th Congress. It was a hearing that was chaired by Senator Hatfield and Senator Cohen, and it was a hearing to raise the awareness of the American people about the advantages and the needs of more research dollars.

General Schwarzkopf was one of those individuals who testified. He, in essence, said that one of these days the American people are going to realize how little we have invested in basic research in health care, in health care research, health research in this country, how little we have done. He said, in essence, when they find that out, they are going to be mad as hell and they are going to want something done about it.

I have spent many years now here in the Senate trying to raise the voices of concern, and the time has now come, frankly, that another year cannot pass without this Congress and this Senate making a commitment to doubling the investment at the National Institutes of Health.

And I say so in recognizing I do this from an emotional perspective because I, like so many others, represent families that have been devastated by disease. In my particular case, I am talking about cancer. Since the last time I spoke on the floor of the Senate about this issue I lost another member of my family to the disease. I lost my father, who died at the age of 83 with esophageal cancer.

I remember at a particular moment as he was fighting the disease, and I guess this moment comes for most of us, dad realized regardless of all the advantages and all the breakthroughs that have taken place with research, that frankly nothing more could be done for him. One of the doctors suggested what they needed to do next was to insert a feeding tube into his stomach. Dad's reaction to the doctor was, ''That's not going to happen to me. I have lived a pretty good life. I have raised eight children,'' and he said with a little grin, ''They have all done pretty well. So I look upon my life as one that has been pretty successful.'' He said, ''It's time for me to die. I'm going back home. I'm not going to stay in the hospital. I'm not going to eat anything else. I'm not going to drink anything else. It is time for me to die. I accept that.''

That was totally different than the experience that I had with my younger brother who died of melanoma at the age of 35. At that age, I guess it is almost impossible to give up. You have a sense that you have got to fight every step of the way. Maybe there will be a discovery made is the sense of what people feel. I can tell you as a member of the family, I sure was hopeful, each day, maybe a new procedure, maybe a new experimental drug would come along and save my brother Michael's life, who for 12 years, from the age of 23, on knew that each year could be the year in which he would lose his life.

So I say today, Madam President, I can no longer be kind of quiet about this issue. I realize I am here today speaking about my own personal experiences, but in essence I represent every family in America. Why are we taking this? Why have we, as a Nation, said over and over and over again we do not have the money to invest in this kind of research? We are talking about $2 billion more in this next fiscal year—$2 billion more, and we are told we do not have the money. Now I know how difficult it is going to be to find it. I do not mean to be underestimating that. But if our Nation made the commitment to do it we could find the resources to invest $2 billion more at the National Institutes of Health.

As I say, my story is a story about cancer. I was diagnosed with the same cancer that killed my brother, within months after I came to the U.S. Senate. And I would say this, if it had not

have been for Michael's death, I probably would have been the one who died because I would not have been sensitive to the information on the early warning signs of the disease. I would have ignored the mole on my side until maybe it was too late. All I am saying is I do not think we as a Nation should ignore the warning signs.

You can talk about Parkinson's disease, and many of us have had the opportunity to talk with Morton Kondracke or with Joan Samuelson. In my case, a dear friend, Bob Finkernagle, another dear friend, Pat Hucker, whose wife is suffering with the disease. There have been tremendous breakthroughs with respect to Parkinson's disease but there is a lot more out there that can be discovered, a lot more that can be done.

During these past several years I have had the opportunity to speak with Dr. Varmas, Dr. Klausner, Francis Collins, all out at the National Institutes of Health, and as you listen to them talk about breakthrough after breakthrough after breakthrough you cannot help but be excited about what the opportunities are for further investments in medical research.

There is a gene known at the P–53 gene with respect to cancer. Interestingly enough, this gene, when it malfunctions, when it is mutated, has been found in somewhere between 50 percent and 80 percent of all cancers. It is a tumor suppressor gene and research scientists all across America and around the world are, in fact, trying to figure out the mechanism. They have indicated that in their tests in the laboratory that when a P–53 gene that is not mutated is placed in with other cells it, in fact, stops the growth of those cells. More money needs to be invested to find out whether P–53 holds a key for a cure.

What can be the benefits from more research? One of the things that would happen is that we would see that the number of people that participate in clinical trials would go from 2 percent to 20 percent. What does that mean to the average person? Well, it means that some mother or some father or some brother, some sister, might have an opportunity to have drugs that are available on the market but only through a clinical trial. We would increase from 2 percent to 20 percent if we were to double the investment at NIH.

The number of grants that would be approved would jump from 25 percent to 40 percent. More access to state-of-the-art care, ability for the research centers to attract new talent. I could go on and on.

The point here is this, and I will close my comments at this time, with another story from that same hearing that I referred to a little bit earlier. There was an individual on that panel with General Schwarzkopf by the name of Travis Roy. Travis Roy is a young man whose dream it was to play ice hockey in Boston, and he succeeded. Unfortunately, in the first 11 seconds of a game he was hit in such a manner that he is paralyzed from the neck down. He said to the Members at that hearing, to the panel, that his dream was to be able to hug his mother again someday. You know something, if we had listened to that 15 years ago, our reaction, sure, we would have had the compassion and the concern for that young man, but in the back of our mind we would have said, but you know there is nothing we can do about it. Well, something dramatically has changed in America. We no longer believe that there is nothing we can do about it. We have seen so much happen in the field of research that we now believe there are opportunities all across the board in all different kinds of diseases for breakthroughs that will save lives.

Today, I had the opportunity to listen to a physician by the name of LaSalle LaFalle, a former President of the American Cancer Society. He said, ''When I was trained, I was told that there was no cure for leukemia, that everyone died from leukemia. Hodgkin's disease, everyone died from Hodgkin's disease.'' We know now the cure rate of leukemia is around 60 percent, and Hodgkin's disease is 80 percent. That is a result of the investments we made in basic research. I ask my colleagues to support this sense-of-the-Senate resolution.

I yield the floor.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Pennsylvania is recognized.

Mr. SPECTER. I ask my distinguished colleague, Senator MACK, who controls the time, for an allocation of 10 minutes.

Mr. MACK. I yield 10 minutes to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I have sought recognition to support this sense-of-the-Senate resolution because the results of the National Institute of Health have been dramatic, really stunning. We have seen dramatic breakthroughs in heart disease, in breast cancer, in prostate cancer, in ovarian cancer, Alzheimer's disease, cystic fibrosis, new generations of AIDS drugs are reducing the presence of the AIDS virus in HIV-infected persons to nearly undetectable levels. With respect to the variety of cancers, the death rates have begun a very, very steady decline. Most recently we have made enormous progress as well in schizophrenia.

The accounts on the National Institutes of Health have risen consistently over the past decade and a half. Regardless of whether the chairman of the subcommittee was Senator Weicker, Senator Chiles, Senator HARKIN, or myself, a position which I now hold, we have found the money for very, very substantial increases in the funding for NIH. Last year we had an increase of some 6.9 percent for a total of $820 million. The year before, $643 million. I commend my colleague, Senator MACK, for his leadership in first offering a resolution early on to double NIH funding over the next 5 years, and the resolution tonight, to add $2 billion to NIH funding.

I suggest that we need to go a step beyond the sense-of-the-Senate Resolution, and if I might attract the attention of the distinguished manager of this bill, Senator DOMENICI, in supporting this sense-of-the-Senate resolution, I wish to point out that the figures, while well intended, to express the views of the Senate, are not binding in terms of what will occur. The reality is, of course, that nothing is binding. The whole budget resolution is, in a sense, the sense of the Senate. Now there are some parts which are protected, as Senator DOMENICI has explained, under an agreement between the congressional leadership and the President. Those, however, require the confirming by the entire body, and that may not happen and they are subject to a veto if that does not happen, but in the very broad sense we express in this budget resolution what we would like to see done.

Now, at a later point in the budget resolution I will call upon my distinguished colleague from New Mexico to support an amendment which I will offer which will add $1.1 billion to the 550 function, which surprisingly has been reduced in the resolution now before the Senate. Under a freeze, that figure is set at $25 billion and in the budget resolution it is at $24.9 billion.

So, notwithstanding the very impressive presentation made by my colleague from Florida, he is talking about Confederate money. If we are to have real money in order to present this to the Appropriations Committee, in a discussion I have had with the distinguished Senator from Alaska, Senator STEVENS, we are going to have to have real dollars put in an offset. As much as I would like to see $2 billion as suggested by Senator MACK I do not know quite how to get there with an offset, but I think this is admirable.

I suggest to my colleagues that if we take four-tenths of 1 percent from discretionary nondefense, a total of some $258 billion, we will have $1.1 billion. That sum of money would enable us to have an increase in the NIH budget, something in the neighborhood of $950 million, which would be hard cash and something which is really very, very, badly needed.

When we talk about the number of grants provided through NIH, we currently have some 27,000 research project grants, 878 center grants, nearly 15,000 training grants. But even at that, only one in four approved grants are funded.

Now, beyond NIH, we will face in this subcommittee LIHEAP, Low-Income Energy Assistance. I know my distinguished colleague from New Mexico has been a leader on mental illness, and he will be coming to the markup and will be making a very valid, very impassioned plea, as he has done each year. If I could continue to have the attention of my colleague from New Mexico,

each time he as come to me as chairman—and we have had rotations as to who is the chairman of which subcommittee—and each time Senator DOMENICI has come to me, I have said, ''Yes. Pete. Yes, sir.'' He is right. But if I am to be able to say that as chairman of the committee, we are going to have to have some hard dollars. For Senator DOMENICI's recommendation, I had a discussion with Senator STEVENS, and he said, ''I will follow PETE'S lead, but we are going to have to have more than a sense-of-the-Senate resolution.''

I know my distinguished colleague from New York is standing beside me. I want to yield the remainder of my time because I think there is going to be a very persuasive argument offered by my colleague, Senator D'AMATO.

The PRESIDING OFFICER (Mr. ENZI). The Chair recognizes the Senator from New York?

Who yields time?

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. Mr. President, let me say to my friend and colleague from New York that Senator FRIST was—2 minutes?

All right.

Mr. D'AMATO. I will not take a long time.

Mr. President, let me just simply say this: I support the efforts of my distinguished colleague from Florida. He has been instrumental in helping to lead the way. I remember when we first appropriated money from the defense account for breast cancer research. Were it not for his persuasiveness on the floor, I do not know if we would have ever made that historic breakthrough. That was an amendment offered by Senator HARKIN and myself. It was really Senator MACK who made a difference in this presentation with his efforts.

Let me say this: We are missing the boat. We are just dreadfully missing the boat. Where is our sense of priority in terms of how we do the business of the people?

I have to tell you something. We should take money from any one of a number of sources to see to it that the NIH is properly funded. What we are doing today—making scavengers and beggars of the best in biomedical research—is just simply wrong, whether it is for AIDS, whether it is pediatric work, cancer research, breast cancer, or prostate cancer. Virtually every male in this Chamber is going to get prostate cancer if they live long enough.

What are we doing to ourselves and to future generations? I suggest that we are mortgaging it by not coming forward and allocating resources. I don't care if it comes from the gasoline tax, the cigarette tax, or from cutting expenditures in other areas. We couldn't invest money more prudently than in this kind of medical research.

We shouldn't be juggling funds and saying take it from diabetic research and put it into some other area. Every one of these areas under NIH needs more money.

So, Mr. President, I hope that we not only pass this resolution but then do the business of the people, and that we stand up and say, ''Yes, we are going to allocate the necessary resources.'' There was a 4.3-cent-per-gallon raise in the gas tax to help bring the deficit down. You ask the American people if they wouldn't take one penny of that—which is a lot of money on an annual basis, well over $1 billion—and use that for medical research. You ask them whether or not they would be willing to see to it that expenditures that we are making today should not be diverted to this area. And they would tell you to spend the money for the research so we don't have to go begging and turning down worthy applications because we are talking about the lives of our children and future generations.

I yield the floor. I thank my colleagues for their patience.

Mr. MACK. I say to the Chair that I believe the Senator from Pennsylvania has three amendments.

Mr. SPECTER. Mr. President, I seek recognition simply to send forward to the desk three amendments in accordance with the pending rule.

I thank my colleague from Florida.

I yield the floor.

Mr. MACK. I now yield 5 minutes to Senator FRIST of Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Mr. President, I am pleased to rise in support of the amendment before us just introduced by the Senator from Florida which expresses the sense of the Senate that the Federal commitment to biomedical research at the National Institutes of Health is one of the highest priorities in this year's budget resolution. This amendment very simply states that Congress should double the appropriations for the National Institutes of Health over the next 5 years and, in the fiscal year 1998, increase NIH funding by $2 billion.

I would like to commend my colleague, the Senator from Florida, Senator MACK, for his leadership in bringing this amendment forward today to ensure our commitment short term and long term to biomedical research. I was an original cosponsor with Senator MACK of similar legislation, Senate Resolution 15, introduced on the first day of the 105th Congress, the Biomedical Research Commitment Resolution of 1997, which demonstrated collectively our commitment to increasing biomedical research substantially over the next 5 years.

I rise as a member of the Senate Budget Committee who has struggled with the effort to balance the budget which we will achieve by the year 2002 and at the same time preserve a strong role, a vital role, a critical role, in biomedical research during the times of obvious fiscal restraint. Historically, Congress has in many ways over the years demonstrated a continued strong support of increased funding for the important work that we all know occurs at the National Institutes of Health.

The scientific and medical breakthroughs supported by the NIH in the last 50 years have vastly improved our capacity to prevent disease, to diagnose disease, and treat human disease. I contrast my status as a heart and lung transplant surgeon to my father, a family physician who practiced medicine for 50 years, when he started, he carried around most of the knowledge that he needed at that time to treat somebody in his head and most of his tools in a simple black bag. How far we have come because of our commitment to invest in biomedical research.

As a heart and lung transplant surgeon, I have had the opportunity to see firsthand the great advances which have revolutionized the way we think about disease. As Americans, we benefit every day from the highest quality of health care in the world. And it is vital—it is vital—that we continue to invest for the long term as well as the short term in our research efforts to maintain this high quality.

The research supported by the NIH has resulted in numerous medical advances. A whole new industry in the postwar period has sprung up that supports and encourages research. For the first time in this postwar period we have had mortality rates more affected by chronic disease than infectious disease.

I want to speak, as I see the Senator from New Mexico here on the floor, about the Human Genome Project and what we have seen. We are poised today to move into a whole new era that we couldn't have imagined 10 years ago where it is critical that we continue to maintain that investment to see these potential cures, these new ways to make a diagnosis come to fruition.

The Human Genome Project is an international effort, historic effort, with the goal of understanding and deciphering the human genetic code. The project has achieved already hugely important milestones in our understanding of the molecular basis of disease and the crucial role that our genes play in how we function and how disease is caused. This past year we have witnessed the mapping of chromosomal locations for genes related to, as referred to earlier, an inherited aspect of Parkinson's disease as well as a hereditary form of prostate cancer, which was just mentioned by the Senator from New York. The tools of this Human Genome Project have led to the isolation of a gene responsible for hereditary hemochromatosis, an iron in our metabolism disorder which causes multiple organ failure which we didn't understand historically.

These advances in genetics research are opening the door to our understanding of the causes of disease and giving hope to millions of Americans suffering from genetic disorders. We

will see these treatments and we will see these cures for some of the most devastating diseases.

Again, I have to recognize the Senator from New Mexico, because it is he who deservedly has the title of the father of the Human Genome Project, for his wisdom in launching this project in the United States of America—the very person who has spent all day today and yesterday and will be tomorrow leading us into a balanced budget by the year 2002. The Human Genome Project is a success story for Federal investment in biomedical research.

In closing, the Human Genome Project is just one example of the many success stories from the National Institutes of Health. As chairman of the Subcommittee on Public Health and Safety, as a scientist, as someone who has seen, firsthand at the bedside, people die, and who has sat at the bedside of those whom we can have a cure for if we make that investment today, I stress the importance of our continued commitment to this investment so that we can reap these benefits.

In this spirit, I urge my colleagues on both sides of the aisle to support passage of this amendment in recognition that the future of our Nation's health and the future of the health of our children is dependent upon our strong investment in biomedical research today.

Mr. President, I yield my time.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. I yield 10 minutes to the Senator from California, Senator FEINSTEIN.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. I thank the Chair, and I thank the distinguished Senator from Florida for this opportunity.

One of my great pleasures in the Senate has been to chair the Senate Cancer Coalition with Senator MACK, and in that capacity, we have had four hearings. We have listened and heard a great deal about cancer.

I think, Mr. President, if you ask the American people two questions about Federal spending, in two areas, and if you asked, ''How much do we spend as a portion of our budget on foreign operations?'' the American people would think it is very high. If you ask them, ''What do you think we spend on research for health?'' I think they would say it is a great deal. In fact, it is less than one percent of our budget.

Today, at the NIH only 28 percent of the grant applications are funded. That is down from 30 percent in 1992. We are doing less. Only 20 percent of new grants are funded.

How would NIH use more funds? They would use the funds in areas that show scientific promise:

Brain disorders: areas such as neural development, neural degeneration, with emphasis on Alzheimer's disease and Parkinson's disease.

New Therapies: drugs to combat cancer and AIDS; bioengineering to repair damaged tissues; treatments to improve care at the end of life.

Genetics: better identification of inherited mutations which contribute to cancer risk; better identification of environmental impact of genetic mutations.

Now let's turn to the National Cancer Institute.

The National Cancer Institute in fiscal year 1997 can only fund 26 percent of grant applications. NCI funded 32 percent in 1992. They are down in 4 years from funding 32 percent to 26 percent of grant applications.

General Norman Schwarzkopf, a prostate cancer patient, said: ''During the past decade, Federal funding for cancer research has, after adjusting for inflation, increased only one percent.''

Mr. President, 7.4 million Americans have a history of cancer; 1.3 million cases will be diagnosed this year and 560,000 Americans will die. But we spend one tenth of one cent of every Federal dollar on cancer research.

On May 7, NCI Director Dr. Klausner said NCI could use double its current funding. How would NCI use additional funds? First, experts say they could increase the testing and search for causes of cancer. Second, more people could participate in cancer trials. We could increase access of eligible adult cancer patients participating in clinical trials. Today, only 2 percent of eligible cancer patients can participate and we could increase that to 20 percent. NIH could increase the number of cancer centers from 55 to 75. Cancer researchers could improve earlier detection of cancer and expand studies of environmental risk factors for cancer, as was urged by experts at a recent hearing of our Senate Cancer Coalition. NCI could monitor more people to better understand the impact of treatment on cancer patients. Today, NCI can monitor only 10 percent of the American population with cancer, a sample that is too small. More monitoring can yield more information about the outcome of treatments.

Mr. President, NCI has identified five important new research areas that could realize the large dividends that are described in NCI's ''bypass budget.'' What is the bypass budget? The Congress requested the National Cancer Institute to annually identify, in their professional judgment, their promising scientific unmet needs.

Here is what they are: First, Cancer genetics: Within 5 years, the goal is to identify every major human gene predisposing to cancer. Second, NCI could increase animal models of human cancers that would allow testing in animals of early detection, prevention, and treatment strategies. Third, NCI could improve detection technologies, to sharpen the sensitivity of technologies and smaller numbers of tumor cells. Fourth, NCI could improve developmental diagnostics to better understand the difference in and the properties of tumors, how they change, how they respond to treatment and thereby improve the treatments. And fifth, NCI could increase what is called investigator-initiated research by 30 percent, to capitalize on new ideas and talent all across the country. This would increase research conducted in universities and labs.

With our aging population growing, our research needs will grow. People are living longer. By the year 2000, the number of people aged 75 to 84 will increase by one-third, to 12.3 million people. People over 85, the fastest growing segment of our population, will grow 70 percent, to 4.9 million. One-third of U.S. health care spending today goes to people over age 65. These costs, left unabated, will grow exponentially. The rising aged population will tax Medicare, Medicaid and the health system overall.

NIH is working on research to delay the diseases and disabilities of aging. Let me give some examples. Mr. President, 4 million Americans today have Alzheimer's disease, a degenerative disorder that can leave people unable to function on their own. By delaying the onset of Alzheimer's for 5 years, we can save $50 billion annually.

Half of all people over age 65 have symptoms of arthritis. Osteoarthritis costs $8 billion annually. By delaying the onset by 5 years, we can save $4 billion.

Hearing loss: 30 percent of adults age 65 to 75, and 40 percent of those over 75, have some degree of hearing impairment. Delaying the onset by just 5 years could save $15 billion annually. What is my point? Research is cost effective.

We need more health research because we have diseases and disorders for which there is no cure.

AIDS has surpassed accidents as the leading killer of young adults. It is now the leading cause of death among Americans age 25 to 44.

The prevalence of diabetes has steadily increased over the past 35 years.

Just pick up Time magazine and you see that asthma rates jumped 58 percent, from 1982 to 1992 for children, and asthma is the leading cause of school absences from chronic conditions.

40,000 infants die each year from devastating diseases, and 20 million Americans have rare diseases for which there are few effective treatments. Seven to ten percent of children are learning disabled.

The rate of low birth-weight among African-American children is 13 percent, compared to 6.2 percent for white Americans. One condition that increases the risk of premature delivery is bacterial vaginosis, and African Americans have a higher rate.

So we can alleviate suffering, find treatments, cure diseases, if we have the research, if we devote the resources to it. The irony is that most people, 75 percent of the people in America, would pay higher taxes for this kind of research.

I contend that increased research will reduce health care costs. Let me

give some examples of annual economic costs. Cancer, $104 billion annually; heart disease, $128 billion; Alzheimer's, $100 billion; diabetes, $138 billion; mental disorders, $148 billion; stroke, $30 billion. A 5-year delay in Alzheimer's—again, $50 million savings. Savings in delaying the onset of stroke would be $15 billion. And a delay in the onset of Parkinson's disease would save $3 billion annually.

For every $1 spent on measles/mumps/rubella vaccine, $21 is saved. For diphtheria/tetanus/pertussis vaccine, $29 is saved. This is prevention. And research can bring us prevention.

Hip fractures, common among the elderly, are a leading cause of nursing home admissions. They account for one in every 5 admissions. NIH research found that estrogen therapy reduces osteoporosis and hip fractures. In 1991, 1 year alone, the reduction in fractures in women taking estrogen replacement saved $333 million in these nursing home admission costs.

Medicaid and Medicare: 56 percent of nursing home costs are paid by these programs. They total over $44 billion annually. These costs are rising. We all know this from our budget deficit debate. By delaying the onset of chronic aging-related illnesses, spending for nursing home care could be cut by $35 billion.

What is my point? My point is health research makes sense for many reasons, but we are not doing as well as we could. The scientific community has repeatedly pointed out that we are neglecting research. The Institute of Medicine has described U.S. clinical health research as, ''in a state of crisis.'' Without adequate support, we will see a serious deficiency of clinical expertise, a reduction in effective clinical interventions, increases in human suffering and disability, and increases in the costs of health care.

A June 1995 national survey by Research America found, as I said, that 75 percent of the public would pay more for medical research. This is one of the reasons why Senator MACK, Senator D'AMATO, Senator REID, Senator JOHNSON and I will be proposing a tax checkoff for the IRS form, giving Americans the opportunity to use a checkoff to contribute to cancer research. This could be an effective public-private partnership. It is one of the reasons why we are also for a breast cancer stamp, which would have 1 additional cent, and that 1 cent would go to breast cancer research.

Mr. President, 94 percent of Americans believe it is important for the United States to maintain its role as a world leader in medical research. We cannot do it if health research is less than 1 percent of our budget. We cannot do it when good grants are turned down because the funding isn't there. Only 3 cents of every health care dollar spent in this country is used for research—3 cents. NIH's budget is less than 1 percent.

I made my case. Medical science is on the cutting edge of many important discoveries. It is a time when we should be nourishing research. This is not the time to backslide. I urge my colleagues to support the Mack-Feinstein amendment. I yield the floor and I thank the Chair.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Florida.

Mr. MACK. I yield 5 minutes to Senator COLLINS.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I am pleased to be a cosponsor of the sense-of-the-Senate resolution offered by my colleague from Florida, calling for a doubling of our investment in biomedical research at the National Institutes of Health over the next 5 years. Now, some may question why we are calling for such a significant increase in spending as part of a balanced budget agreement. However, I believe that our sense-of-the-Senate resolution is entirely consistent with the goal of a balanced budget, because there is no investment that would yield greater returns for the American taxpayer than an investment in biomedical research.

Our nation currently spends billions of dollars each year, both directly and indirectly, to treat and care for chronic diseases. For example, cardiovascular disease costs us $138 billion each year. Alzheimer's disease costs about $100 billion each year, primarily in nursing home and other long-term care costs. Strokes result in health care costs of almost $30 billion annually. And Parkinson's disease costs our society about $6 billion annually. We basically have two choices. We can sit back and continue to pay the bills and endure the suffering, or we can aggressively pursue a national strategy aimed at preventing, delaying, and even curing these devastating and debilitating diseases and conditions.

While we are spending billions of dollars each year on patient care, as the Senator from California has pointed out, only 3 cents—3 cents of each health care dollar are currently invested in medical research. Opportunities for progress in biomedical and related health science research have never been better, but currently, we are only funding a fraction of the promising grant applications submitted to NIH. Moreover, not only are the investments in research disproportionately low compared to the cost of patient care, but the potential of research to reduce health care costs is vastly under realized.

The work of Dr. Jonas Salk and his colleagues to produce a vaccine for polio serves as a dramatic example of research as a high-yield investment. The lifetime costs of maintaining just two children stricken with polio is greater than all of the money —all of the money—ever spent on the research that virtually eliminated the disease.

The potential for achieving even greater savings from health care research is enormous. For example, the Alliance for Aging Research has estimated that a 5-year delay in the onset of Alzheimer's disease could cut health care spending by much as $50 billion annually and that a 5-year delay in the onset of stroke could save our Nation $15 billion a year.

This is no time to put the brakes on research spending. Rather, we should accelerate our efforts and increase our commitment to medical research that can cure, prevent or delay disease. This strategy is especially important as we move into the next century when our public health and disability programs will be increasingly strained by the aging of our population.

Finally, the cost of disease and disability cannot be measured in dollars alone. Only those who have had to care for a father or a husband whose quality of life has been cut short by a stroke can appreciate how devastating it can be. Or think of the family whose mother or grandmother no longer recognizes her own children or grandchildren because of Alzheimer's disease.

These diseases take their toll emotionally as well as financially. They can dramatically and irretrievably alter the lives of the affected individuals and their families, as Senator MACK has so eloquently testified. Therefore, I am very pleased to be joining Senator MACK in offering this sense-of-the-Senate amendment, and I urge all of my colleagues to join us in passing it.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. Mr. President, I yield 5 minutes to Senator DURBIN.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. I thank the Chair. I thank the Senator from Florida for yielding.

I am honored to be a cosponsor on this resolution. There are so many things that we vote for in the Chambers of the Senate and House, and I often wonder what the average person in the street would do if they were faced with casting a yes-or-no vote on issues we face in the Chamber.

I think I know what they would do when it comes to this resolution. If we are talking about a substantial increase in medical research as a major budget priority, I think I know where the American people would end up on that. They would be supportive. They understand, as we do, what is at stake.

There have been a lot of things said in the Chamber, and I stand behind the statement of the Senator from California, the Senator from Maine and others, and they have recounted the work that has been done by NIH. I will not go on to repeat all those things, the breakthroughs that the National Institutes of Health has initiated. There are so many in the area of hip fractures, as the Senator from California said, breast cancer. The No. 1 leading cancer cause of death among women is lung cancer from smoking, but No. 2 and very serious is breast cancer.

What is happening at the National Institutes of Health in breakthrough research on bone marrow transplant is giving new hope to women who have learned that they have been diagnosed with breast cancer. That is something that every single husband, every father, everyone can identify with in a family as an important breakthrough.

Diabetes, heart disease, stroke, the list goes on and on. But I would like to ask my colleagues to think about this in a different and more personal context. I would daresay that in the next 12 months some Member of this Senate, someone sitting in the gallery, or someone listening to this debate will be seated in a doctor's office or a hospital when a doctor walks in the room and says that either myself or you or a loved one has been diagnosed with a serious illness. It takes your breath away to even think that it might happen, and yet we know it happens every day. You and I and everyone listening pray to God that the next words out of the doctor's mouth are, ''But I have good news. There is a promising new therapy. There is a new surgery. There is a new medicine. We think that we can conquer this.'' And your heart starts beating and you realize you have hope.

That is what this is all about. This is not about a budget resolution. This is not about numbers on a page. It is about the hope that every family wants to have when faced with this threat of a serious illness. This investment in the National Institutes of Health is money well spent, not just because it can lead to new cures and lead to people having longer lives and less suffering, but let me mention one other element that I do not know has been spotlighted.

Across America today young men and women are deciding what to do with their lives. We hope that a substantial number of them will dedicate their lives to science, to medical science, and to research. But if they fear that their education is not going to lead to a position where they can get involved in research, they are less likely to do so. When we make a commitment to medical research at the National Institutes of Health, we say to that class of young scientists, men and women, we have a job waiting for you. We need you and we need your talent and we need you to stick with it so that you can live through the satisfaction of finding a breakthrough in the field of medicine and in science.

So it is not just a matter of saving those who are ill. It is a matter of encouraging young people to dedicate their lives to medical research. And that is why the sense-of-the-Senate resolution offered by the Senator from Florida is so critically important.

The National Institutes of Health in 1995 funded approximately 2,140 research institutions and over 18,000 investigators. And yet, if I am not mistaken—and I stand to be corrected by my colleagues here—we are funding about one out of four or one out of five eligible research grants. In other words, there are three or four grants there that are very promising in medical research that we cannot fund.

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

Mr. DURBIN. This resolution offered by the Senator from Florida, which I am happy to cosponsor, will provide the resources for that absolutely essential research.

I yield back the remainder of my time.

Mrs. BOXER. I rise to support the Mack amendment which recognizes the importance of funds for the National Institutes of Health [NIH] research programs.

The investment that the American public has made in medical research funded by the NIH has been the foundation of this Nation's medical research enterprise—one of the leading sectors of our economy.

The NIH supports research at 2,000 colleges, universities, and other scientific institutions, including the efforts of more than 50,000 researchers and their staff throughout the country.

An NIH appropriations increase of 100 percent over the next 5 fiscal years and a $2 billion increase by 1998 will save millions of lives.

In 1991, NIH launched the Women's Health Initiative, a 15-year study to examine hormone replacement therapy and its impact on cardiovascular disease—the leading cause of death in the U.S.; dietary intervention in the prevention of breast and colonrectal cancer; and vitamin D and calcium in the prevention of osteoporosis and colonrectal cancer.

Breast Cancer—the most commonly diagnosed cancer and the second leading cancer killer of American women—affects one in eight women in their lifetimes. Federal funding for breast cancer research and programs has continued to increase, but this year alone over 180,000 American women will be diagnosed with breast cancer.

I want to see the death rate from more diseases drop. I want to see a commitment in research funds for ovarian cancer—the silent killer—about which there is so little known.

I want to see eradication of diseases like Scleroderma, a disease most can't pronounce—but there are more cases of scleroderma than multiple sclerosis or muscular dystrophy.

In the 25 years since the National Cancer Act was signed into law, the toll taken by cancer continues to rise. In 1996, over 1.5 million Americans were diagnosed with some form of cancer and over 550,000 people lost their lives to cancer. This year, the numbers will continue to climb.

In 1997, approximately 131,920 Californians will be diagnosed as having cancer. This is the equivalent of almost 15 new cases every hour of every day. Approximately, 53,610 Californians will die from cancer.

Prostate cancer is the most common cancer in American men and has become the most common cancer in California. (American Cancer Society, 1997 California Cancer Facts and Figures). Based on current U.S. rates, about 19 of every 100 men born today will be diagnosed with prostate cancer during their lifetime, while approximately 4 of every 100 men will die from this disease.

In 1997, approximately 24,000 Californians will be diagnosed with prostate cancer and an estimated 3,500 deaths will occur.

More funding for cancer research will make a difference. While there is no shortage of good research ideas in the cancer field overall, the chances for funding these research opportunities keeps getting worse.

The overall percentage of approved but unfunded investigator-initiated grants steadily increased from 40 percent in the 1970's to 85 percent in 1995. This trend needs to be reversed.

This amendment is a step in the right direction. I urge my colleagues to support this amendment and make sure that appropriate levels of funding are invested in research which saves lives.

Mr. MACK. Mr. President, I ask unanimous consent that Senator GORTON and Senator HUTCHISON of Texas be added as cosponsors.

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

Mr. MACK. If I could just make a couple of brief comments and then we will be through.

Mr. DOMENICI. Sure.

Mr. MACK. As I listened to the discussion, and most of you heard me go through some of my experiences, I will never forget the moment that my wife told me she had discovered a lump in her breast and the doctor had told her that she had cancer. The sense of terror that gripped both of us, the sense of fear that we experienced—and I must say to you, there were a lot of selfish feelings going on inside me. I thought that I was going to lose my wife, that she would die of cancer. That is the reaction most people have when they are told they have cancer. I thought I was going to lose her. And so I wonder to myself, knowing what we know today, the breakthroughs that have already taken place in research, what keeps us from doubling the investment at NIH? Why will people accept the notion that we cannot do more?

I just cannot comprehend that. And so I would ask my colleagues tonight to support this sense-of-the-Senate resolution, recognizing that it is only the first step in a long, hard fight to find the dollars to double the investment in the National Institutes of Health.

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

The PRESIDING OFFICER. The yeas and nays have been requested.

Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, do I understand we are finished with the debate except Senator KENNEDY?

Mr. MACK. Yes.

Mr. KENNEDY. Mr. President, I commend Senator MACK for introducing this amendment. He has consistently fought for the increases at NIH over a long period of time. This makes eminent sense for the reasons he and others have outlined. I hope that his amendment will be accepted and that we could move ahead on this extraordinary opportunity to support breakthroughs in health care, in so many different areas affecting so many different families in America. He deserves great credit, and I am proud and privileged to cosponsor the amendment.

Our amendment expresses the sense of the Senate that the Federal commitment to the National Institutes of Health should be doubled over the next 5 years, increasing the current NIH budget of $13 billion to $26 billion by the year 2002.

This increase is critical to fulfilling our hope for healthy lives for all Americans. Every family is touched by the scourge of disease. This amendment will be a step toward reducing that burden. It is vital to maintaining the investment we've already made and to moving forward to improve the health of the American people. It can also be a key strategy in our efforts to save Medicare.

NIH began in 1887 as a one-room Laboratory of Hygiene. It has grown in the past century into the premier biomedical research facility in the world, for the benefit of literally billions of citizens in this country and of many other lands.

In the 1950's, NIH research found that fluoridated drinking water could prevent dental cavities in children. In the 1960's, NIH scientists helped crack the genetic code, beginning the studies that would lead to recombinant DNA technology and gene therapy. In the 1970's, NIH-sponsored research began to unravel the mysteries of the genetic origin of cancer.

The promise of new medical research is boundless. As impressive as the progress of the past has been, it pales in comparison to the opportunities for the future. We stand on the threshold of stunning advances in medicine through deeper understanding of the fundamental mechanisms of the cell, through mapping of human genes, through biotechnology, and through a host of advances that are already on the horizon.

But instead of moving toward that horizon, we are in danger of standing still. The proportion of worthwhile projects that NIH is able to fund has declined steadily over the past 15 years. Today, they can fund only about one in four such projects. That means, for example, that in 1996 the NIH had to turn away about 18,000 applications.

Every unfunded application represents a missed opportunity. As funding sources dry up, the best young minds are discouraged from entering the field of biomedical research. The situation is growing dire. In 1994, the National Academy of Sciences warned that we have too few clinical investigators to conduct the research that is most needed.

In recent years, medical research has changed the world we live in, revising much of what we know about life, about diseases afflicting citizens of all ages. It has led to a breathtaking array of new technologies and therapies which have improved the health of Americans of all ages and walks of life.

From vaccines against childhood diseases, to treatments for spinal cord injury, from chemotherapy for cancer to medication for mental illness, medical research is improving the lives, and health of people everywhere.

Since we began to immunize small children with the Hib vaccine, which was developed by NIH scientists in the 1970's and 1980's, cases of deadly spinal meningitis have dropped by more than 98 percent. Diseases like mumps, whooping cough, and chickenpox, all common in the past, have dropped to their lowest levels in history. We are on the verge of eradicating polio from the world.

Spinal cord injury affects thousands of Americans, often striking in the prime of active lives. A recent NIH study found that a new drug, given within 8 hours of the injury, improves recovery by 20 percent, and gives patients greater independence and better health.

Chemotherapy for testicular cancer, the most common form of cancer in men aged 15 to 35, can bring a cure rate of 60 to 65 percent.

Researchers have identified genes linked to certain forms of breast cancer, and have developed new treatments for colon cancer. Improved detection and treatment methods like these have increased the 5-year survival rate for cancer victims to 52 percent. The gain since the 1960's represents over 80,000 additional cancer survivors each year.

For the first time, we have effective prescription drug treatments for series mental health conditions, such as major depression, bipolar disorder, and schizophrenia. Many of these medications were developed by NIH-supported research.

We are also making progress against other intractable and debilitating diseases. Diabetes affects more than 16 million Americans. Recent research has improved treatment and offers the possibility of a cure.

Research on heart disease has made important advances. Since 1971, deaths from heart disease have dropped by 41 percent. NIH-funded research showed that one aspirin a day can reduce early mortality from heart attacks by 23 percent, and reduce subsequent nonfatal heart attacks by almost 50 percent.

Estrogen therapy in women has been shown to have a wide range of benefits, including reduced heart disease, osteoporosis, and Alzheimer's disease.

Dramatic progress is taking place in the treatment of stroke, which affects 3 million Americans each year. Victims who receive a new clot-dissolving drug in the first hours after a stroke recover more fully and more quickly than other patients. Half of the patients receiving this treatment recover completely. Other advances have reduced death from stroke by 59 percent since 1971.

Parkinson's disease affects more than half a million Americans. Doctors can now identify the area of the brain causing the tremor, and destroy it with a procedure that has been successful in over a thousand patients. Patients require fewer physician visits and less medication. The treatment reduces the number of falls leading to hip fracture and the need for hospitalization, nursing homes, and physical therapy.

Recent research on Alzheimer's disease suggests that preventing small, silent strokes can help those at risk delay the onset of the disease.

Research on the cutting edge of molecular biology, immunology, and neuroscience are making advances. In the early 1980's, AIDS was virtually untreatable. Today, new drugs are maintaining health in people with HIV for longer and longer periods.

Biomedical research is cost-effective. Research costs for the Hib vaccine were about $30 million. Today, the vaccine saves $70 to $150 million a year in direct medical costs. The spinal cord injury study cost very little. If the medication comes into widespread use, the potential savings are in the billions of dollars. Estrogen therapy costs less than a dollar a day; cost savings in money and human suffering are huge.

We all know that Medicare is one of the most successful social programs ever enacted, but it is threatened today by demographic changes and the retirement of the baby boomers that lie ahead. Rather than saving the program by raised premiums of cutting reimbursements, there may be a better way.

A Duke University study earlier this year suggests that a small improvement in the disability rate among older Americans can bring large cost savings for Medicare. The decline in disability that is already occurring is attributable to research on the diseases of aging. If we take sensible steps to fix Medicare for the short-term, the most effective way to keep it solvent for the long term may well be to maintain and strengthen the existing trend toward better health for older Americans. The key step in that strategy is support for medical research.

Continued and expanding investment in such research will also provide benefits to the larger economy. As advances move from the laboratory into the commercial sector, new businesses and jobs will follow.

A recent study at the Massachusetts Institute of Technology found that the licensing of university inventions—including biomedical technologies—adds $21 billion to the economy and supports 200,000 jobs each year.

Doubling the NIH budget will build on this progress and help to ensure

that its potential is achieved. It will provide funds to strengthen the research community, encouraging the best, and brightest of America's college graduates to make their careers in scientific research. This increased support will be tangible evidence of Congress' commitment to the health of all Americans.

Some will ask if we can afford to double the NIH budget. I would turn the question around to ask if we can afford not to do so. President Charles Vest, of M.I.T. has written, ''Modern medicine is born of scientific research and delivered by advanced technology. Its human benefits can be realized only through the wise and caring public policy of a nation willing to invest in the future.'' If we can't afford to do this, we can't afford the future. The fundamental issue is priorities, and I urge the Senate to give its strong support to this bipartisan proposal.

Mr. DEWINE. Mr. President, I rise in support of Senator MACK's amendment to double the research budget of the National Institutes of Health over the next 5 years and to add $2 billion to NIH funding now for fiscal year 1998. I want to thank the Senator for bringing this amendment to the floor today and this issue to the attention of our colleagues.

This level of funding is critical. It's clearly needed if we're going to tackle the serious medical problems that America faces—including cancer, diabetes, asthma, arthritis, AIDS, and the need for additional information about the special medical needs of children.

Research sponsored by the National Institutes of Health has a proven track record that has touched the lives of many Americans. The broad scope of its achievements is truly impressive. It includes the development of new treatments for disease; identification of genetic mutations for a varied set of diseases; identification of genetic mutations for a varied set of diseases; and contributions to the development of new scanning technologies. These spectacular advances in health could not have been achieved but for the commitment of Federal dollars we make to the NIH.

And let us be clear on this. The returns on the public investment in biomedical research have been impressive. Not only have we won Nobel prizes and built on decades of basic research, we have contributed to our national economic growth. Our investments have given life to America's biotechnology industry. Some have estimated that revenues in this industry will approach $50 billion annually by the year 2000 and create as many as 500,000 new jobs.

I am supporting this effort because I believe it reflects a commitment to substantially strengthen our priorities toward biomedical research. We cannot rest on our laurels. We must work to improve the health of our citizens. I also want to make a personal commitment to work with my colleagues there in Congress and with the NIH to make advantage of the important opportunity this amendment presents to advance research that benefits all of us—and especially, all of our children.

Let me highlight just one example of the type of activity that additional NIH research could support. Children under the age of 21 represent 30 percent of the population—and yet the NIH devotes only somewhere between 5 and 14 percent of its budget to their needs. Just as there has been a recognition in recent years that women and minorities have been neglected in research efforts nationwide, there's a growing consensus that children deserve more attention than they are getting.

Children are not small adults. They go through different developmental stages, they metabolize drugs differently, and they respond to illnesses and treatments differently. Children's health needs are not only different—they're often ignored by the private sector.

Federal funding for research—especially medical research—is a fundamental responsibility of Government. Today, the Senate must acknowledge that responsibility and act to enhance the ability of NIH to improve the health of all Americans.

Mr. MACK. Mr. President, I ask unanimous consent to add Senator DOMENICI, Senator GRAMM, and Senator THURMOND as cosponsors.

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

Does the Senator yield back his time?

Mr. MACK. Yes, I yield back the remainder of my time.

Mr. DOMENICI. Mr. President, I wanted to just alert the Senate, we were not quite sure when this vote was going to occur, and I have just spoken to our leadership office and they would like to give Senators a little bit of time to get in here. So I wonder if we could start this vote at a quarter of.

Mr. President, I think what we will do, I have a couple of comments, and then I think what we will do is go ahead and have the up-or-down vote and just keep it open for 20 minutes or more, and that will give Senators who are en route a chance to get here. I think that will be all right.

Mr. President, I compliment Senator MACK on the sense-of-the-Senate resolution, but I would be remiss if I did not congratulate the Congress on what it has already done for the National Institutes of Health.

Yes, we should do more. But last year we gave the National Institutes of Health a 7 percent increase. This year, if all goes as planned, they will get a 3½ percent increase.

Now, the National Institutes of Health this year under the new plan will be a $13.1 billion enterprise, so it is not like we are not doing something significant. And while I believe that a sense-of-the-Senate saying we should do more, if we can, makes good sense, let me suggest that the greatest health science in the world is going on at the National Institutes Of health of the United States, the biggest breakthroughs are being made there along with the business investment, pharmaceutical investment in America. We are truly at the cutting edge of some very significant wellness events.

Sometime when I have time in the Chamber, we will talk a little more about how the Human Genome Project got started, for it is an interesting kind of story. I do not intend to do it tonight. It is one of the greatest programs we have going, and I thank Senator FRIST for mentioning my name in conjunction with its inception. I had a bit to do with that.

Now, if we had any time in opposition, we yield it back.

Has the Senator asked for the yeas and nays? The yeas and nays have been requested.

The PRESIDING OFFICER. The yeas and nays have been ordered. There was a sufficient second.

The question is on agreeing to amendment No. 315 offered by the Senator from Florida. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New Hampshire [Mr. GREGG] and the Senator from North Carolina [Mr. HELMS] are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would each vote ''yea.''

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

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 78 Leg.]

YEAS—98

Abraham	Faircloth	Lugar
Akaka	Feingold	Mack
Allard	Feinstein	McCain
Ashcroft	Ford	McConnell
Baucus	Frist	Mikulski
Bennett	Glenn	Moseley-Braun
Biden	Gorton	Moynihan
Bingaman	Graham	Murkowski
Bond	Gramm	Murray
Boxer	Grams	Nickles
Breaux	Grassley	Reed
Brownback	Hagel	Reid
Bryan	Harkin	Robb
Bumpers	Hatch	Roberts
Burns	Hollings	Rockefeller
Byrd	Hutchinson	Roth
Campbell	Hutchison	Santorum
Chafee	Inhofe	Sarbanes
Cleland	Inouye	Sessions
Coats	Jeffords	Shelby
Cochran	Johnson	Smith (NH)
Collins	Kempthorne	Smith (OR)
Conrad	Kennedy	Snowe
Coverdell	Kerrey	Specter
Craig	Kerry	Stevens
D'Amato	Kohl	Thomas
Daschle	Kyl	Thompson
DeWine	Landrieu	Thurmond
Dodd	Lautenberg	Torricelli
Domenici	Leahy	Warner
Dorgan	Levin	Wellstone
Durbin	Lieberman	Wyden
Enzi	Lott	

NOT VOTING—2

Gregg	Helms

The amendment (No. 315) was agreed to.

Mr. LAUTENBERG. I move to reconsider the vote and move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am sorry that I have to inconvenience a couple of people that are waiting around, particularly my good friend, the chairman, but I have to get a little business done, if I can.

I have some amendments that have been cleared on both sides. I would like to send them to the desk with the attendant statements, whatever they are.

AMENDMENT NO. 341

(Purpose: To express the sense of the Senate that certain elderly legal aliens should continue to receive benefits during a redetermination transition period)

Mr. DOMENICI. Mr. President, I send an amendment to the desk on behalf of Senator FEINSTEIN, and others. I believe the amendment is a good amendment. It is a sense-of-the-Senate amendment regarding the elderly disabled and the SSI program.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for Mrs. FEINSTEIN, for herself, Mr. CHAFEE, Mr. DOMENICI, Mr. LAUTENBERG, Mrs. BOXER, Mr. D'AMATO, Mr. DEWINE and Mr. KENNEDY, proposes an amendment numbered 341.

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:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING CERTAIN ELDERLY LEGAL ALIENS.

It is the sense of the Senate that the provisions of this resolution assume that:

(1) the Committee on Finance will include in its recommendations to the Committee on the Budget of the Senate changes in laws within the jurisdiction of the Committee on Finance that allow certain elderly, legal immigrants who will cease to receive benefits under the supplemental security income program as a result of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 stat. 2105) to continue to receive benefits during a redetermination or reapplication period to determine if such aliens would qualify for such benefits on the basis of being disabled.

(2) the Committee on Finance in developing these recommendations should offset the additional cost of this proposal out of other programs within the jurisdiction of Committee on Finance.

Mrs. FEINSTEIN. Mr. President, I, along with Senators DOMENICI, LAUTENBERG, BOXER, CHAFEE, DEWINE, D'AMATO, and KENNEDY am offering the sense of the Senate that would require the Finance Committee to allow elderly legal immigrants to continue receiving SSI during their redetermination period. Under the current budget agreement, all elderly would be cut off of SSI as of October 1, 1997.

I want to acknowledge the leadership of the bill managers on both sides for their recognition of the devastating impact this budget agreement has on over 400,000 elderly legal immigrants, and encouraging the Senate to provide an important interim provision.

While I support the budget resolution's broad budget balancing framework, I have expressed over and over again, my deep concerns over its failure to restore SSI for over 400,000 elderly legal immigrants, 30 percent of which are over the age of 75 and who will be cut off from SSI as of October 1, 1997.

The current budget agreement, falls short of what is needed to keep the elderly immigrants from losing their life supporting benefits.

The Budget Agreement provides:

SSI benefits for disabled legal immigrants who are disabled and were in the country as of August 22, 1996.

SSI benefits for those who became disabled and got on the rolls between August 22, 1996 to June 1, 1997.

The budget agreement bans:

SSI for most elderly legal immigrants, even those elderly immigrants who rely on SSI for survival.

Food Stamps for most legal immigrants.

Although restoring SSI for the disabled is an important first step to a major flaw in the Welfare Reform bill passed by Congress last year, the elderly legal immigrants who depend on SSI will still lose their benefits under the agreement.

Under the current agreement, an 83-year-old woman with no family, who speaks little or no English, will be just as homeless as one who is disabled when she loses her SSI benefits. What is she supposed to do, get a job?

Under Welfare Reform, approximately 725,000 elderly, blind, and disabled legal immigrants could lose SSI benefits on August 22 of this year. Under the budget agreement: 42.5 percent or 307,630 disabled legal immigrants who were receiving SSI as of the date of enactment of the Welfare Bill would continue receiving SSI. However, for 417,360 or 57.5 percent of elderly legal immigrants who are currently receiving SSI would be cut off as of October 1, 1997.

The President estimates that 66 percent of the elderly legal immigrants who will be cut off from SSI initially could be recertified under the disabled category.

However, due to what I believe is an unintended mistake, even those elderly legal immigrants who are also disabled would be cut off from SSI on October 1, 1997. The elderly would become eligible for SSI only if they requalify after the cutoff.

CBO estimates that it would take 6 months or longer to rectify all the elderly legal immigrants currently on the rolls. During the recertification period, no elderly legal immigrant would be receiving SSI. How will they survive for 6 months? They will mostly become homeless or fall onto County General Assistance rolls.

The impact of the SSI ban for elderly legal immigrants will be devastating and immediate, especially in the high immigrant States.

In California, 163,900 elderly legal immigrants may lose their SSI.

In New York, 65,340 elderly legal immigrants may lose their SSI.

In Texas, 32,640 elderly legal immigrants may lose their SSI.

In Florida, 44,310 elderly legal immigrants may lose their SSI.

In Illinois, 13,360 elderly legal immigrants may lose their SSI.

In Massachusetts, 13,410 elderly legal immigrants may lose their SSI.

Come October 1, 1997, we will see hundreds of thousands of elderly legal immigrants, of which 30 percent are over 75 years old, and who may also be disabled, thrown out into the streets and homeless.

Under the Budget Agreement, 137,728 or 34 percent of elderly legal immigrants nationwide will lose their SSI permanently because they will not be able to qualify as disabled; 55,726 elderly legal immigrants in California will lose their SSI; 22,215 elderly legal immigrants in New York will lose their SSI; 11,076 elderly legal immigrants in Texas will lose their SSI; 15,065 elderly legal immigrants in Florida will lose their SSI; 4,542 elderly legal immigrants in Illinois will lose their SSI; and 4,425 elderly legal immigrants in Massachusetts will lose their SSI.

The alternatives for these elderly legal immigrants are bleak—if they do not have family who can care for them, they either end up in a homeless shelter or end up on County General Assistance rolls.

Senator JOHN CHAFEE and I have previously introduced a bill that would restore SSI benefits to all elderly, blind or disabled legal immigrants who were receiving SSI prior to the passage of the welfare reform bill. We propose that no current recipient should be thrown off from their SSI benefits. We agree that for those coming into the country after the enactment date, we ban SSI and require instead, the sponsors to be responsible for their family members.

I believe that this is a responsible action that must be taken by Congress to correct a serious flaw in the welfare bill.

Allowing the elderly to continue receiving their SSI until they can be recertified is the first step but not the final solution. The final solution is to provide for all elderly and disabled legal immigrants who were on SSI as of August 22, 1996, to continue receiving their SSI.

As we go forward in the budget reconciliation process and final passage of the fiscal year 1998 budget, I urge my

colleagues to support the Chafee-Feinstein provision that protects the elderly legal immigrants who were getting SSI at the date of enactment.

Mr. President, I ask unanimous consent that an SSA table be printed in the RECORD.

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

TABLE 3.—NUMBER OF ALIENS RECEIVING SSI PAYMENTS BY ELIGIBILITY CATEGORY AND STATE, DECEMBER 1996

State	Total	Aged	Disabled
Total	724,990	417,360	307,630
Alabama	480	370	110
Alaska	750	390	360
Arizona	7,650	3,900	3,750
Arkansas	340	190	150
California	293,180	163,900	129,280
Colorado	5,140	2,740	2,400
Connecticut	4,370	2,700	1,670
Delaware	330	200	130
District of Columbia	860	530	330
Florida	69,710	44,310	25,400
Georgia	4,570	3,930	1,640
Hawaii	3,770	2,850	920
Idaho	410	220	190
Illinois	23,980	13,360	9,620
Indiana	1,080	730	350
Iowa	1,170	600	570
Kansas	1,500	700	800
Kentucky	720	380	340
Louisiana	2,500	1,430	1070
Maine	540	200	340
Maryland	7,800	5,970	1,830
Massachusetts	23,980	13,410	10,570
Michigan	7,350	4,060	3,290
Minnesota	6,640	2,340	4,300
Mississippi	440	230	220
Missouri	1,900	1,030	770
Montana	150	(1)	(1)
Nebraska	720	340	380
Nevada	2,370	1,590	780
New Hampshire	350	200	150
New Jersey	22,140	14,580	7,560
New Mexico	3,350	1,530	1,820
New York	113,900	65,340	48,560
North Carolina	2,600	1,590	1,010
North Dakota	180	(1)	(1)
Ohio	5,340	3,380	1,960
Oklahoma	1,340	880	460
Oregon	4,260	2,200	2,060
Pennsylvania	11,340	6,470	4,870
Rhode Island	3,440	1,700	1,740
South Carolina	580	420	160
South Dakota	200	(1)	(1)
Tennessee	1,380	850	530
Texas	54,760	32,640	22,120
Utah	1,420	700	720
Vermont	150	(1)	(1)
Virginia	6,780	5,150	1,630
Washington	13,160	5,920	7,240
West Virginia	190	(1)	(1)
Wisconsin	4,790	1,800	2,990
Wyoming	(1)	(1)	(1)

[1] Relative sampling error too large for presentation of estimates.

Source: SSI 10-Percent Sample File, December 1996.

Mr. CHAFEE. Mr. President, I want to thank the distinguished chairman and ranking member of the Budget Committee for their help on this amendment.

The amendment before the Senate addresses the treatment of poor, elderly legal immigrants who are dependent on SSI benefits. SSI is a Federal program that provides cash assistance to those who are either elderly or disabled, and of very low income.

Pursuant to last year's welfare law, legal immigrants may no longer receive SSI benefits. Those who were receiving SSI on the date the law was enacted therefore are scheduled to lose that assistance beginning on August 1 of this year, although thanks to an amendment I offered with Senator D'AMATO and others to the disaster relief bill, that cutoff date likely will be pushed back to October 1.

In my view, the welfare law's SSI restrictions were not only harsh, but unfair, particularly to those elderly or disabled legal immigrants who were relying on those critical benefits at the time. It seems an increasing number of Senators and Representatives agree. Therefore, this year Congress is considering proposals to revise the legal immigrant SSI restrictions.

The particular proposal suggested by the budget resolution addresses immigrants' plight by exempting from the SSI ban those who are disabled and who were in the country when the bill was signed. While that is an important step toward fairness, it would mean that legal immigrants who are elderly, but not disabled, would be left out, and would lose their SSI benefits.

If this proposal were enacted, the Social Security Administration would need to re-evaluate all the elderly SSI recipients to determine how many would requalify as disabled. That process would take perhaps 6 months. The question then would become the fate of these elderly recipients during the redetermination time. Would they be dropped from the program during those six months, and then be reinstated later if they requalified? Or would they be allowed to continue on the program until it was clear whether or not they would requalify?

Senators FEINSTEIN, D'AMATO, DEWINE, and I believe that in that situation, it makes absolutely no sense to kick elderly recipients off of SSI during the redetermination period, only to reinstate many of them at a later date. However, as written, the budget resolution is silent on this point. Therefore, we worked with Senator DOMENICI to clarify this issue. The amendment before us would ensure that elderly recipients would be allowed to continue to receive this critical SSI assistance during the time it would take to redetermine their status.

This clarification makes sure that should the proposal in the budget resolution be enacted, elderly legal immigrants will be treated with compassion and not subjected to the sudden and perhaps unwarranted loss of basic assistance.

Mr. President, I want to point out that the proposal suggested by the budget resolution is an important one, but it is just one of the many that the Finance Committee may consider during the upcoming reconciliation process. As I mentioned, I believe that the budget resolution approach, as clarified by our amendment, goes a long way toward restoring fairness for vulnerable legal immigrants who were in the country and playing by the rules when the welfare law was enacted. But I must say that I am sorely disappointed that the budget resolution proposal leaves elderly legal immigrants—those who by definition have no other source of income and are too old and frail to work—out in the cold. To my view, then, the budget resolution proposal therefore addresses only part of the problem, and I intend to work with my colleagues here and in the Finance Committee toward a more comprehensive solution.

Mr. KENNEDY. Mr. President, I am pleased to cosponsor this amendment and commend my colleagues for bringing this important issue before the Senate.

We have discovered an unintended gap in the budget agreement with regard to SSI coverage for disabled immigrants. If this budget agreement is adopted, elderly immigrants dependent on SSI assistance who are also disabled will continue to receive that assistance. However, the Social Security Administration states that it may take 6 months for the agency to review the current SSI caseload and make that determination. In the meantime, many elderly immigrants will lose their assistance, only to requalify later on the basis of their disability.

Clearly, this was not intended under the budget agreement, and I commend Senator DOMENICI, Senator LAUTENBERG, Senator CHAFEE, Senator FEINSTEIN, and my other colleagues for their commitment to resolve this problem and cover this gap.

I also join many of my colleagues in expressing my hope that more can be done. As we proceed with legislation to implement this agreement, I hope that we can find ways to ensure that immigrants who fall on hard times and have no sponsors to fall back on can still get help. I am particularly concerned about elderly immigrants and immigrant children.

So I commend my colleagues for their leaderhip in bringing this amendment before the Senate. We have made progress in restoring assistance to immigrants under this budget agreement, and I look forward to working with them on this important issue in the days ahead.

Mr. DOMENICI. I have no objection to the amendment.

Mr. LAUTENBERG. We have no objection here, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment. Without objection, it is so ordered. The amendment is agreed to.

The amendment (No. 341) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 342

(Purpose: To express the sense of the Senate regarding retroactive taxes)

Mr. DOMENICI. Mr. President, on behalf of Senator COVERDELL, I send to the desk an unprinted amendment which has been cleared on both sides regarding retroactive taxes, a sense of the Senate.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for Mr. COVERDELL, proposes an amendment numbered 342.

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:

At the end of the bill, add the following:

SEC. . SENSE OF THE SENATE REGARDING RETROACTIVE TAXES.

(a) FINDINGS.—The Senate finds that—

(1) in general, the practice of increasing a tax retroactively is fundamentally unfair to taxpayers;

(2) retroactive taxation is disruptive to families and small business in their ability to plan and budget.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this budget resolution assume that—

(1) except for closing tax loopholes, no revenues should be generated from any retroactively increased tax; and

(2) the Congress and the President should work together to ensure that any revenue generating proposal contained within reconciliation legislation pursuant to this concurrent resolution proposal, except those proposals closing tax loopholes, should take effect prospectively.

Mr. COVERDELL. Mr. President, today I rise to offer a sense of the Senate amendment to the concurrent budget resolution before us that sets our nation on the path to budgetary balance. This amendment addresses a practice that I believe is one of the most reprehensible burdens government can place on its taxpayers, retroactive taxation.

My conviction for putting a stop to retroactive taxation dates back to just months after I began my service representing Georgia in the United States Senate and occurred as a result of one of the most egregious examples of retroactive taxation in our history. I am speaking of the retroactive tax rate increases enacted as part of the Administration's 1993 tax package whose passage in the Senate required the Vice President to cast the deciding vote.

At the time, estimates of the price tag to taxpayers of these retroactive tax increases were over $10 billion! In other words, with more than two-thirds of the year having been gone, the federal government effectively told the American people, ''All your planning was for naught, and we don't care.''

To bring an end to this practice, I introduced legislation in the 103rd Congress, the 104th Congress, and now in the 105th Congress. This is not an issue which I intend to drop, and I'll tell my colleagues why.

Mr. President, let me take this opportunity to share with you the story of Mrs. Joanne Dixon, a retired farmer from Girard, Georgia, who suffered personally from the 1993 retroactive tax increases. In her testimony before the Senate Judiciary Subcommittee on the Constitution, Federalism, and Property Rights, she described herself and her family as a simple farming family that, like many of their neighbors, farmed their land, attended church, contributed to their community and paid their taxes. They were proud to be farmers and still believe it to be a good life.

Tragically, in February of 1993, her husband suffered a life-threatening illness brought on by the rigors of running a farm, which they had done together for 38 years. In light of the circumstances, it soon became clear they would have to leave farming and auction off everything they had worked for all their lives. In her testimony Mrs. Dixon said, ''I could never put our feelings into words to adequately express what we went through. I will never forget the day of the auction itself. Looking back, I don't know how we stood it, but we managed.''

After living with a very painful decision, the Dixons dutifully paid their taxes. Imagine if you would, Mr. President, their surprise when they learned they owed still more in federal taxes because of the 1993 retroactive increases.

Let me again refer to Mrs. Dixon's own words, ''The amount of money itself was not a large amount, but we still had to pay the retroactive tax out of funds we had planned for retirement. However, for me that is not the issue. After what we had been through to know that the federal government can tax you simply because it chooses was a real shock. Furthermore, our situation also left us with no way to recover the money we had to pay in this additional retroactive tax. We were out of business. The retroactive tax was a shameful tax.''

Mr. President, it was clear to Thomas Jefferson that the only way to preserve freedom was to protect its citizen from oppressive taxation. I believe he would agree that the retroactive imposition of massive taxes is the ultimate slap in the face of the American citizen. Even the Russian Constitution does not allow you to tax retroactively.

American families, businesses, and communities must know what the rules of the road are and that those rules will not change. They have to be able to plan their lives, plan for their families, and plan their tax burdens in advance.

We have before us an historic opportunity to bring the Federal budget into balance. This is a goal I have worked long and hard to achieve since coming to the Senate. In the march to a balanced Federal budget, I believe we need to do so in a way that is fair to American families and small businesses.

Mr. DOMENICI. I have no objection to the amendment.

Mr. LAUTENBERG. No objection here, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment. Without objection, it is so ordered. The amendment is agreed to.

The amendment (No. 342) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 343

(Purpose: To express the sense of the Senate on Social Security and balancing the budget)

Mr. DOMENICI. Mr. President, I have an amendment on behalf of Mr. DORGAN, Mr. DASCHLE, and Mr. HOLLINGS. It is a sense of the Senate regarding long-term balancing of Social Security accounts. We have no objection to the amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for Mr. DORGAN, for himself, Mr. DASCHLE, and Mr. HOLLINGS proposes an amendment numbered 343.

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:

At the appropriate place in the resolution, insert the following:

SEC. . SENSE OF THE SENATE ON SOCIAL SECURITY AND BALANCING THE BUDGET.

(a) FINDINGS.—The Senate finds that—

(1) This budget resolution is projected to balance the unified budget of the United States in fiscal year 2002;

(2) Section 13301 of the Budget Enforcement Act of 1990 requires that the deficit be computed without counting the annual surpluses of the Social Security trust funds; and

(3) If the deficit were calculated according to the requirements of Section 13301, this budget resolution would be projected to result in a deficit of $108.7 billion in fiscal year 2002.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying this budget resolution assume that after balancing the unified federal budget, the Congress should continue efforts to reduce the on-budget deficit, so that the federal budget will be balanced without counting Social Security surpluses.

The PRESIDING OFFICER. The question is on agreeing to the amendment. Without objection, the amendment is agreed to.

The amendment (No. 343) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 344

(Purpose: To express the sense of the Senate supporting sufficient funding for veterans programs and benefits)

Mr. DOMENICI. Mr. President, I send a sense-of-the-Senate resolution regarding veterans' programs on behalf of Senator DASCHLE, myself, and Senator ROCKEFELLER, an unprinted amendment, regarding supporting sufficient funding for defense programs.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DASCHLE, for himself and Mr. ROCKEFELLER, proposes an amendment numbered 344.

Mr. DOMENICI. 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:

Insert at the appropriate place the following new section:

SEC. . SENSE OF THE SENATE SUPPORTING SUFFICIENT FUNDING FOR VETERANS PROGRAMS AND BENEFITS.

(a) FINDINGS.—The Senate finds that—

(1) veterans and their families represent approximately 27 percent of the United States population;

(2) more than 20 million of our 26 million living veterans served during wartime, sacrificing their freedom so that we may have ours; and

(3) veterans have earned the benefits promised to them.

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

(1) the assumptions underlying this Budget Resolution assume that the 602(b) allocation to the Department of Veterans Affairs will be sufficient in FY98 to fully fund all discretionary veterans programs, including medical care; and

(2) funds collected from legislation to improve the Department of Veterans Affairs' ability to collect and retain reimbursement from third-party payers ought to be used to supplement, not supplant, an adequate appropriation for medical care.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 344) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay it on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 345

(Purpose: To express the sense of the Congress concerning domestic violence)

Mr. DOMENICI. Mr. President, on behalf of Senator MURRAY I offer a sense of the Senate regarding family violence option clarifying amendment. This was accepted by the U.S. House in their budget resolution. I see no reason why we should not accept it.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for Mrs. MURRAY proposes an amendment numbered 345.

Mr. DOMENICI. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF CONGRESS ON FAMILY VIOLENCE OPTION CLARIFYING AMENDMENT.

(a) FINDINGS.—Congress finds the following:

(1) Domestic violence is the leading cause of physical injury to women. The Department of Justice estimates that over 1,000,000 violent crimes against women are committed by intimate partners annually.

(2) Domestic violence dramatically affects the victim's ability to participate in the workforce. A University of Minnesota survey reported that ¼ of battered women surveyed had lost a job partly because of being abused and that over ½ of these women had been harassed by their abuser at work.

(3) Domestic violence is often intensified as women seek to gain economic independence through attending school or training programs. Batterers have been reported to prevent women from attending these programs or sabotage their efforts at self-improvement.

(4) Nationwide surveys of service providers prepared by the Taylor Institute of Chicago, Illinois, document, for the first time, the interrelationship between domestic violence and welfare by showing that from 34 percent to 65 percent of AFDC recipients are current or past victims of domestic violence.

(5) Over ½ of the women surveyed stayed with their batterers because they lacked the resources to support themselves and their children. The surveys also found that the availability of economic support is a critical factor in poor women's ability to leave abusive situations that threaten them and their children.

(6) The restructuring of the welfare programs may impact the availability of the economic support and the safety net necessary to enable poor women to flee abuse without risking homelessness and starvation for their families.

(7) In recognition of this finding, the Committee on the Budget of the Senate in considering the 1997 Resolution on the budget of the United States unanimously adopted a sense of the Congress amendment concerning domestic violence and Federal assistance. Subsequently, Congress adopted the family violence option amendment as part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(8) The family violence option gives States the flexibility to grant temporary waivers from time limits and work requirements for domestic violence victims who would suffer extreme hardship from the application of these provisions. These waivers were not intended to be included as part of the permanent 20 percent hardship exemption.

(9) The Department of Health and Human Services has been slow to issue regulations regarding the provision. As a result, States are hesitant to fully implement the family violence option fearing that it will interfere with the 20 percent hardship exemption.

(10) Currently 15 States have opted to include the family violence option in their welfare plans, and 13 other States have included some type of domestic violence provisions in their plans.

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that the provisions of this Resolution assume that—

(1) States should not be subject to any numerical limits in granting domestic violence good cause waivers under section 402(a)(7)(A)(iii) of the Social Security Act (42 U.S.C. 602(a)(7)(A)(iii)) to individuals receiving assistance, for all requirements where compliance with such requirements would make it more difficult for individuals receiving assistance to escape domestic violence; and

(2) any individual who is granted a domestic violence good cause waiver by a State shall not be included in the States' 20 percent hardship exemption under section 408(a)(7) of the Social Security Act (42 U.S.C. 608(a)(7)).

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 345) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay it on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 346, 347, AND 348

Mr. DOMENICI. We can save a little bit of time because we have a number of amendments that are going to qualify and Senators do not have to stand up and go through all of that maneuvering. I ask unanimous consent the amendments that I send to the desk be considered as having been offered by their appropriate sponsor and thus qualified as under the previous order, and further they be considered as having been set aside. I do this en bloc for the Senators enumerated on the amendments.

The PRESIDING OFFICER. The clerk will report by number.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes amendment numbers 346, 347, and 348.

Mr. DOMENICI. I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 346

(Purpose: to require that the $225 billion CBO revenue receipt windfall be used for deficit reduction and tax relief, and that non-defense discretionary spending be kept at a freeze baseline level)

On page 3, line 3, decrease the amount by $22.5 billion.

On page 3, line 4, decrease the amount by $22.5 billion.

On page 3, line 5, decrease the amount by $22.5 billion.

On page 3, line 6, decrease the amount by $22.5 billion.

On page 3, line 7, decrease the amount by $22.5 billion.

On page 3, line 11, increase the amount by $22.5 billion.

On page 3, line 12, increase the amount by $22.5 billion.

On page 3, line 13, increase the amount by $22.5 billion.

On page 3, line 14, increase the amount by $22.5 billion.

On page 3, line 15, increase the amount by $22.5 billion.

On page 4, line 4, decrease the amount by $13.7 billion.

On page 4, line 5, decrease the amount by $23.4 billion.

On page 4, line 6, decrease the amount by $33.2 billion.

On page 4, line 7, decrease the amount by $42.9 billion.

On page 4, line 8, decrease the amount by $52.7 billion.

On page 4, line 12, decrease the amount by $6.3 billion.

On page 4, line 13, decrease the amount by $16.9 billion.

On page 4, line 14, decrease the amount by $26.7 billion.

On page 4, line 15, decrease the amount by $36.6 billion.

On page 4, line 16, decrease the amount by $46.8 billion.

On page 4, line 19, decrease the amount by $22.5 billion.

On page 4, line 20, decrease the amount by $22.5 billion.

On page 4, line 21, decrease the amount by $22.5 billion.

On page 4, line 22, decrease the amount by $22.5 billion.

On page 4, line 23, decrease the amount by $22.5 billion.

On page 35, line 9, decrease the amount by $13.7 billion.

On page 35, line 10, decrease the amount by $6.3 billion.

On page 35, line 15, decrease the amount by $23.4 billion.

On page 35, line 16, decrease the amount by $16.9 billion.

On page 35, line 21, decrease the amount by $33.2 billion.

On page 35, line 22, decrease the amount by $26.7 billion.

On page 36, line 2, decrease the amount by $42.9 billion.

On page 36, line 3, decrease the amount by $36.6 billion.

On page 36, line 8, decrease the amount by $52.7 billion.

On page 36, line 9, decrease the amount by $46.8 billion.

AMENDMENT NO. 347

(Purpose: To provide for parental involvement in prevention of drug use by children)

At the end of title II, add the following:

SEC. . SENSE OF CONGRESS REGARDING PARENTAL INVOLVEMENT IN PREVENTION OF DRUG USE BY CHILDREN.

(a) FINDINGS.—Congress makes the following findings:

(1) 2,000,000 more children are using drugs in 1997 than were doing so in 1993. For the first time in the 1990's, over half of our Nation's graduating high school seniors have experimented with drugs and approximately 1 out of every 4 of the students have used drugs in the past month.

(2) After 11 years of declining marijuana use among children aged 12 to 17, such use doubled between 1992 and 1995. The number of 8th graders who have used marijuana in the past month has more than tripled since 1991.

(3) More of our Nation's school children are becoming involved with hard core drugs at earlier ages, as use of heroin and cocaine by 8th graders has more than doubled since 1991.

(4) Substance abuse is at the core of other problems, such as rising violent teenage and violent gang crime, increasing health care costs, HIV infections, teenage pregnancy, high school dropouts, and lower economic productivity.

(5) Increases in substance abuse among youth are due in large part to an erosion of understanding by youth of the high risks associated with substance abuse, and to the softening of peer norms against use.

(6) Nearly 1 in every 10 students who received a diploma last June is a daily user of illicit drugs.

(7) A 1995–96 school year survey of drug usage by students revealed that 25 percent of children using drugs are doing so at home or at the home of a friend. Despite these alarming statistics, less than 30 percent of students stated that their parents talked to them about the problem of alcohol and drugs.

(8) In the 1990–91 school year survey, over 40 percent of the students reported that their parent regularly talked to them about drugs. The 1995–96 survey reported an 11 percent decrease in parental involvement and a corresponding 10 percent increase in the number of students in the 6th through 8th grades, who use drugs, and a 17 percent increase in the number of students in the 9th through 12th grades who use drugs.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the provisions of this resolution assume that, from resources available in this budget resolution, a portion should be set aside for a national grassroots volunteer effort to encourage parental education and involvement in youth drug prevention and to create a drug-intolerant culture for our children.

Mr. COVERDELL. Mr. President, recently the Senate has made strong statements promoting efforts to fight against teenage drug use. Programs to mobilize America's parents are desperately needed in these efforts as we struggle to deal with a rising epidemic of teenage drug use.

Survey after survey has shown a shocking rise in teenage drug use. Since 1992, drug use among teens has more than doubled. We recently learned that for the first time since the 1980's over half of all graduating high school seniors will have been involved with illegal drugs and the use of heroine and marijuana by high schoolers has reached levels unprecedented in the 1990's. The number of 8th graders who have used marijuana in the past month has exploded since 1991, growing by over 350%, and heroine use in our high schools has doubled. The fact that 35.8% (or more than one out of every three high school seniors) used marijuana in the past year should be a wake up call to us all, as marijuana serves as a gateway to the use of cocaine, LSD, heroin and other highly addictive drugs. Overall, this is a complete reversal from the previous 12 years when teen drug use was cut in half between 1980 and 1992. A decade of progress has been destroyed.

Yet in spite of these alarming statistics, research conducted by the National Parents' Resource Institute for Drug Education [PRIDE] shows that 7 out of 10 American parents are not talking to their children about the dangers of drug use. These numbers are especially alarming in light of the fact that PRIDE's research indicates that mobilizing parents is one of our most effective ways of fighting this rising epidemic. For example, among students who said they never hear from their parents on the subject of drugs, 35.5% reported using illicit drugs in the last year. Yet this number falls to 26.6%—a relative decrease of 25% for students whose parent often discuss this issue with them. In response to the rise of teenage drug use in the 1980's, parents across the country became active in the anti-drug movement. Their efforts played a key role in reducing drug use by teenagers from the all-time high of 54 percent in 1979 to just 27 percent by 1992.

Over the past several years, PRIDE has devoted a great deal of attention to the question of how we, as a nation, can again capture the level of parental involvement that helped drive down teen drug use in the previous two decades. PRIDE has proposed a grassroots plan focused on a renewed parent movement in the fight against illegal drug use. The goal of this initiative is to educate parents and involve them in programs that will prevent and reduce drug abuse by their children. This volunteer-based approach will allow parents to create a drug prevention program most suitable to their community.

My experience with PRIDE has convinced me that grassroots efforts by America's parents are essential in order to reverse the skyrocketing rates of teenage drug use. I hope that the Senate will build on the amendment I have offered today and fully support programs such as PRIDE which enlist our parents in the war on drugs.

AMENDMENT NO. 348

(Purpose: To express the sense of the Senate that the budget resolution agreement does not foreclose the possibility of Congress adopting additional tax cuts in the future, so long as they are paid for)

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE ON ADDITIONAL TAX CUTS.

It is the sense of the Senate that nothing in this resolution shall be construed as prohibiting Congress from providing additional tax relief in future years if the cost of such tax relief is offset by reductions in discretionary or mandatory spending, or increases in revenue from alternative sources.

The PRESIDING OFFICER. Under the previous order, amendments Nos. 346, 347, and 348 are now set aside.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent—and this has been cleared but I want to read it—I ask unanimous consent that during the consideration of the legislation and any conference report thereon pursuant to the reconciliation instructions set forth in the concurrent resolution on the budget for fiscal year 1998, for the purposes of section 313(b)(1)(E) of the Congressional Budget Act of 1974, legislation which reduces revenues pursuant to reconciliation instruction contained in the fiscal year 1998 resolution, the second reconciliation bill, shall be taken together with all other legislation passed in the Senate pursuant to the reconciliation instructions contained in that resolution, the first reconciliation bill, when determining whether any provision of the second reconciliation bill is extraneous; further, it is clearly understood that the unanimous consent is contingent upon the Senate considering two reconciliation bills pursuant to this budget resolution.

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

AMENDMENT NO. 349

(Purpose: Expressing the sense of the Senate that higher education tax cuts should encourage parents and students to save for the costs of a higher education, and to provide relief from the debt burden associated with borrowing to pay for a post-secondary education)

Mr. DOMENICI. When I was sending amendments to the desk that had been approved on both sides we failed to introduce one on behalf of Senator SNOWE. This is another sense of the Senate regarding education, tax deductions, and credits. It has been accepted on both sides. This is being sent to the desk on behalf of Senator SNOWE to qualify under the requirement that it be in by closing time tonight.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for Ms. SNOWE, for herself and Mr. COVERDELL, proposes an amendment numbered 349.

Mr. DOMENICI. 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 Congress finds that—

(1) the budget agreement reached between Congressional leaders and President Clinton provides for $85 billion in net tax relief over five years.

(2) in a May 15, 1997, letter to President Clinton, the Speaker of the House and the Senate Majority Leader agreed that the tax package must include tax relief of roughly $35 billion over five years for post-secondary education, including a deduction and a tax credit.

(3) the letter further stipulated that the education tax package should be consistent with the objectives put forward in the HOPE Scholarship and tuition tax proposals contained in the Administration's FY 1998 budget proposal

(4) as outlined in the Administration's FY 1998 budget summary, the objective of the education tax credits and deductions is to ensure that financial barriers to higher education continue to fall for all Americans, and to encourage Americans to pursue higher education and to promote lifelong learning.

(5) students at the undergraduate level have seen tuition increases outpace inflation for more than a decade, which has led to an increased demand for student aid, including student loans.

(6) the typical student loan borrower—including undergraduate, graduate, and doctoral students—now accumulates more than $10,000 in educational debt. This rising debt burden poses a serious threat to students and may lead to some students no longer pursuing a higher education.

(7) post-secondary education tax cuts that encourage savings and that address this rising debt burden would encourage Americans to pursue a higher education and promote lifelong learning, and would, therefore, be consistent with the objectives sought by President Clinton in his budget proposal.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels of this resolution and legislation enacted pursuant to this resolution assume—

(1) that higher education tax relief should encourage Americans to pursue a post-secondary education and promote lifelong learning.

(2) tax incentives that encourage parents and students to save for higher education expenses, and that provide relief from the debt burden associated with borrowing to pay for a post-secondary education, are consistent with the objectives set forth in this resolution, and should be included in any post-secondary education tax cut package.

AMENDMENTS NOS. 350, 351, 352, 353, 354, AND 355

Mr. LAUTENBERG. I have a group of amendments that will be sent to the desk to be considered, and I ask unanimous consent they be considered as offered by the appropriate sponsor and qualify under the previous order, and further they be considered as having been set aside.

The PRESIDING OFFICER. The clerk will report the amendments by numbers.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes amendments numbered 350, 351, 352, 253, 354, and 355.

Mr. LAUTENBERG. I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 350

(Purpose: To express the sense of the Senate supporting an increase in funding for defense 050 account funds dedicated for medical research)

At the appropriate place in the resolution, insert the following:

SEC. . SENSE OF THE SENATE ON MEDICAL RESEARCH.

It is the sense of the Senate that the funds in the defense 050 account that are assumed to be dedicated for medical research should be increased by $900,000,000 for fiscal year 1998.

AMENDMENT NO. 351

(Purpose: To reduce the incentives to use tax gimmicks that artificially increase revenues in 2002 in ways that make balancing the deficit more difficult after 2002)

At the end of title II, add the following:

SEC. . ANTIGIMMICK TAX SCORING.

For purposes of scoring any revenue provision of a reconciliation bill enacted pursuant to this resolution, a provision that increases revenue in fiscal year 2002 by an amount $1,000,000,000 or more in excess of the amount that the provision increases revenue in either fiscal year 2001 or 2003 shall be scored by—

(1) subtracting the amount of the excess from the revenue amount for fiscal year 2002; and

(2) dividing the amount of excess by 4 and adding the quotient to the revenue score for the provision for each of the fiscal years 2002 through 2005.

AMENDMENT NO. 352

(Purpose: To express the sense of the Senate on early childhood education)

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE EARLY CHILDHOOD EDUCATION.

(a) FINDINGS.—The Senate finds the following:

(1) Scientific research on the development of the brain has confirmed that the early childhood years, particularly from birth to the age of 3, are critical to children's development.

(2) Studies repeatedly have shown that good quality child care helps children develop well, enter school ready to succeed, improve their skills, cognitive abilities and socioemotional development, improve classroom learning behavior, and stay safe while their parents work. Further, quality early childhood programs can positively affect children's long-term success in school achievement, higher earnings as adults, decrease reliance on public assistance and decrease involvement with the criminal justice system.

(3) The first of the National Education Goals, endorsed by the Nation's governors, passed by Congress and signed into law by President Bush, stated that by the year 2000, every child should enter school ready to learn and that access to a high quality early childhood education program was integral to meeting this goal.

(4) According to data compiled by the RAND Corporation, while 90 percent of human brain growth occurs by the age of 3, public spending on children in that age range equals only 8 percent of spending on all children. A vast majority of public spending on children occurs after the brain has gone through its most dramatic changes, often to correct problems that should have been addressed during early childhood development.

(5) According to the Department of Education, of $29,400,000,000 in current estimated education expenditures, only $1,500,000,000, or 5 percent, is spent on children from birth to age 5. The vast majority is spent on children over age 5.

(6) A new commitment to quality child care and early childhood education is a necessary response to the fact that children from birth to the age of 3 are spending more time in care away from their homes. Almost 60 percent of women in the workforce have children under the age of 3 requiring care.

(7) Many States and communities are currently experimenting with innovative programs directed at early childhood care and education in a variety of care settings, including the home. States and local communities are best able to deliver efficient, cost-effective services, but while such programs are long on demand, they are short on resources.Additional Federal resources should not create new bureaucracy, but build on successful locally driven efforts.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the budget totals and levels in this resolution assume that funds ought to be directed toward increasing the supply of quality child care, early childhood education, and teacher and parent training for children from birth through age 3.

AMENDMENT NO. 353

(Purpose: To expand opportunities to access funding in the High way Reserve fund)

On page 56, line 7, strike the word ''enacted'' and insert: ''reported or an amendment is adopted''.

On page 56, line 15, strike the words ''enactment of legislation'' and insert: ''reporting of legislation or upon the adoption of an amendment''.

AMENDMENT NO. 354

(Purpose: To express the sense of the Senate regarding the extension of the Violent Crime Reduction Trust Fund through fiscal year 2002)

At the end of title II, add the following:

SEC. . SUPPORT FOR FEDERAL, STATE, AND LOCAL LAW ENFORCEMENT OFFICERS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Our Federal, State, and local law enforcement officers provide essential services that preserve and protect our freedoms and security, and with the support of Federal assistance, State and local law enforcement officers have succeeded in reducing the national scourge of violent crime, as illustrated by a murder rate in 1996 that is projected to be the lowest since 1971 and a violent crime total in 1996 that is the lowest since 1990.

(2) Through a comprehensive effort to attack violence against women mounted by State and local law enforcement, and dedicated volunteers and professionals who provide victim services, shelter, counseling, and advocacy to battered women and their children, important strides have been made against the national scourge of violence against women, illustrated by the decline in the murder rate for wives, ex-wives, and girlfriends at the hands of their ''intimates'' fell to a 19-year low in 1995.

(3) Federal, State, and local law enforcement efforts need continued financial commitment from the Federal Government for

funding and financial assistance to continue their efforts to combat violent crime and violence against women.

(4) Federal, state and local law enforcement also face other challenges which require continued financial commitment from the Federal Government, including regaining control over the Southwest Border, where drug trafficking and illegal immigration continue to threaten public safety and menace residents on the border and throughout the nation.

(5) The Violent Crime Reduction Trust Fund established in section 310001 the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) fully funds the Violent Crime Control and Law Enforcement Act of 1994, including the Violence Against Women Act, without adding to the Federal budget deficit.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions and the functional totals underlying this resolution assume that—

(1) the Federal Government's commitment to fund Federal law enforcement programs and programs to assist State and local efforts to combat violent crime, including violence against women, will be maintained; and

(2) funding for the Violent Crime Reduction Trust Fund will continue in its current form at least through fiscal year 2002.

AMENDMENT NO. 355

At the appropriate place, add the following new section:

SEC. . SENSE OF THE SENATE ON TAX CUTS.

It is the sense of the Senate that the Concurrent Resolution on the Budget assumes that—

(1) A substantial majority of the tax cut benefits provided in the tax reconciliation bill will go to middle class working families earning less than approximately $100,000 per year; and

(2) The tax cuts in the tax reconciliation bill will not cause revenue losses to increase significantly in years after 2007.

The PRESIDING OFFICER. Under the previous order, the amendments numbered 350, 351, 352, 353, 354, and 355 will now be set aside.

Mr. DORGAN. Mr. President, yesterday I voted for an amendment offered by Senator HOLLINGS. I would like to take a brief moment to explain my vote.

Senator HOLLINGS is absolutely right in his contention about this budget agreement. The so-called balanced budget agreement that has been hammered out by the White House and the Congress does not, in fact, balance the budget.

While the agreement purports to balance the budget, I would urge my colleagues to look at page 4 of the budget resolution, which will put the agreement into effect. It says, in section 101(4) of the resolution, that the budget will be $108 billion in deficit in the year 2002. Why is that the case? Because they are claiming a balanced budget using a ''unified budget,'' which means they can count the Social Security surpluses to offset other deficits.

However, as I have said in previous debates, using the Social Security surplus creates a deficit for our future. The surplus that is accrued in the year 2002 in the Social Security accounts is needed in the following decades to fund the retirement needs of the baby boom generation. If that money is now used as an offset against other spending to balance the budget, it will not be there when it is needed to meet Social Security needs in future years.

The way to balance the budget in a real and honest way is to do as Senator HOLLINGS suggests. We must make spending cuts that are necessary and delay both the tax cuts and the spending increases in specific accounts until there is room in the budget to accomplish them while still balancing the budget in a real way.

Robust economic growth is driving the budget deficit down substantially. I think there will ultimately be room for some tax cuts and for some targeted investment increases in certain areas, such as education, health care and the environment. But the priority ought to be to balance the budget first and do it fully and completely by reaching a budget deficit of zero in 2002 without using the Social Security trust funds. Then, as the economy continues to grow, added revenue will allow us to both provide needed tax cuts as well as targeted investments in critical accounts. Not many Members of the Senate voted for the Hollings amendment, because most want to rush to provide tax cuts now and to provide spending increases in certain accounts now. But if we do that there is no guarantee that we will truly reach an honest balanced budget in the near term.

Unfortunately, the Hollings amendment failed. It failed by a large margin. However, as the budget process continues, I intend to work as best I can to advance deficit reduction. The resolution we are debating does move in the right direction. While it is not a balanced budget plan, it is a deficit reduction plan. It does achieve $204 billion of deficit reduction. And for that reason, I think it's better to support this negotiated agreement. At least this agreement makes some progress.

To sum up, I would have felt better if this agreement had delayed both the tax cuts and spending increases until the budget is truly balanced. While this agreement provides hope for those of us who want the deficit cut, and who want the budget balanced, it also serves up the dessert before the main course. It requires less discipline than we need. I still believe that we should continue to work to do more than just balance the unified budget. Balancing the unified budget will still leave this country with a budget deficit.

NUCLEAR WASTE FUND

Mr. MURKOWSKI. I would like to inquire of the managers regarding the impact of the resolution now being considered by the Senate.

My question relates to the legislative intent of the resolution as it relates to the nuclear waste fund and specifically regarding its impact on S. 104 passed by the Senate on April 15, 1997. What is the impact of the budget resolution on the provisions of S. 104 and the Nuclear Waste Fund?

Mr. DOMENICI. The budget resolution does not prejudge the outcome of the debate concerning the nuclear waste issue. However, S. 104, as passed by the Senate, does not violate the Budget Act. If S. 104 is enacted into law, there is sufficient funding in the offsetting collections and the budget could accommodate full funding of both the permanent repository and the interim storage at Yucca Mountain within the statutory schedules mandated.

Mr. MURKOWSKI. I thank the Senator from New Mexico for his response.

UNANIMOUS CONSENT AGREEMENTS

Mr. DOMENICI. I ask unanimous consent when the Senate resumes Senate Concurrent Resolution 27 on Thursday, there be 13 hours remaining to be equally divided under the Budget Act.

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

Mr. DOMENICI. I ask unanimous consent when the Senate resumes Senate Concurrent Resolution 27 on Thursday, that time remaining on the amendment numbered 336 be limited to 50 minutes under the control of Senator MOSELEY-BRAUN, 10 minutes under the control of Senator DOMENICI, and following the conclusion or yielding back, Senator DOMENICI be recognized to move to table the amendment.

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

Mr. DOMENICI. I further ask that no other amendments be in order prior to the motion to table the amendment of Senator MOSELEY-BRAUN.

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

Mr. DOMENICI. From what I understand, Senator BOXER wants to speak for 3 minutes and then I want to put the Senate into morning business with speeches up to 10 minutes. I am assuming you will be recognized at that point and Senator STEVENS will be here to wrap up.

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

Mr. CONRAD. Senator STEVENS has 5 minutes. It is fine if he goes before me.

Mr. STEVENS. I have a series of matters for the leader to perform before that time.

Mr. CONRAD. And I have 20 minutes.

The PRESIDING OFFICER. The Chair recognizes the Senator from California for up to 3 minutes.

AMENDMENT NO. 355

Mrs. BOXER. I want to thank the chairman and the ranking member. I understand that after our brief conversation they will accept an amendment that Senator DURBIN and I will be introducing tomorrow that has already been sent to the desk.

Mr. President, because the economy is so strong and the Clinton budget plan in 1993 was so right, we can now finish the job of balancing the budget in a fair and responsible way. The plan before us, for the most part, I believe is fair and reasonable. No more destruction of Medicare and Medicaid, gone are the $270 billion cuts proposed by

Republicans last year, gone are the $88 billion cuts they wanted to do to Medicaid, no more talk about doing away with the Department of Education, the Department of Commerce, no more suggestion that the Environmental Protection Agency should be stripped of its power and its funds.

Now, I believe this radical revolution is over with this budget deal. Could this budget deal be better? Yes, of course, it could. One way, Mr. President, it could be better is if we kept our tax cuts moderate and targeted them to the middle-class. We could reach balance sooner. We would still have resources left to do more for our children and our communities.

What Senator DURBIN and I—and it is cosponsored by Senators DASCHLE, HARKIN, and BUMPERS—what we say in our amendment, and I am very pleased it will be accepted, is that a substantial majority of the tax cut benefits provided in the reconciliation bill will go to middle-class working families earning less than approximately $100,000 per year and that the tax cuts in the reconciliation bill will not cause revenue losses to increase significantly in the years after 2007.

In other words, we have two points to our amendment. One is tax cut benefits go to the middle-class; and two, we do not want to see an explosion of deficits in the outyears.

Mr. President, I am pleased that the chairman is accepting this. I am pleased we are walking down this path together. I really will watch this because we have no assurance that this amendment will be kept in the conference, but we will keep our eye on it because I suspect if we insisted on a vote we would get a near unanimous vote.

I am hopeful we can keep this language in the bill itself. If it is stripped out, Mr. President, I will be back once we get to the reconciliation bill, to make sure that tax cuts are not going to the people who are earning $1 million but are, in fact, going to our hard-working families who earn approximately $100,000 a year.

Thank you very much, Mr. President. Again, my thanks to the Members of the Budget Committee. This has been a long time in coming. It is not the perfect budget but I think it puts an end to the radical revolution that was threatened a couple years ago and it will bring us to balance. It is good for our children, and overall I am pleased with it.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska.

MORNING BUSINESS

Mr. STEVENS. I ask unanimous consent there now be a period for the transaction of morning business.

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

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING MAY 16

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending May 16, the U.S. imported 7,834,000 barrels of oil each day, 52,000 barrels more than the 7,782,000 imported each day during the same week a year ago.

Americans relied on foreign oil for 54.8 percent of their needs last week, and there are no signs that the upward spiral will abate. Before the Persian Gulf War, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970s, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil—by U.S. producers using American workers? Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 7,834,000 barrels a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, May 20, 1997, the federal debt stood at $5,346,367,814,885.12. (Five trillion, three hundred forty-six billion, three hundred sixty-seven million, eight hundred fourteen thousand, eight hundred eighty-five dollars and twelve cents)

One year ago, May 20, 1996, the federal debt stood at $5,114,233,000,000. (Five trillion, one hundred fourteen billion, two hundred thirty-three million)

Five years ago, May 20, 1992, the federal debt stood at $3,921,030,000,000. (Three trillion, nine hundred twenty-one billion, thirty million)

Ten years ago, May 20, 1987, the federal debt stood at $2,291,944,000,000. (Two trillion, two hundred ninety-one billion, nine hundred forty-four million)

Fifteen years ago, May 20, 1982, the federal debt stood at $1,068,510,000,000 (One trillion, sixty-eight billion, five hundred ten million) which reflects a debt increase of more than $4 trillion—$4,277,857,814,885.12 (Four trillion, two hundred seventy-seven billion, eight hundred fifty-seven million, eight hundred fourteen thousand, eight hundred eighty-five dollars and twelve cents) during the past 15 years.

INTERNATIONAL PRINCIPLES OF ASYLUM ERODING

Mr. KENNEDY. Mr. President, every year the respected U.S. Committee for Refugees issues a review of the state of the world's refugees. This yearly review has earned worldwide respect as the most authoritative compilation of analyses, data, and thought-provoking information on refugees. The 1997 World Refugee Survey, released yesterday is especially troubling. The Committee finds that many countries which were once considered safe havens for refugees and asylum seekers are beginning to turn their backs on persons fleeing persecution.

The report estimates that the number of refugees and asylum-seekers decreased last year to about 14.5 million worldwide. But this apparent decrease is misleading. The Committee attributes it in part to the higher barriers to asylum erected in many countries last year, including the United States. In addition, some countries have begun to forcibly repatriate refugees back to their home countries, even if conditions in those countries have not improved. For example, Thailand has recently begun to forcibly return Burmese refugees to their persecutors in Burma.

There is some good news. Several countries, including Guatemala, Haiti, Mozambique, and Cambodia, have improved their human rights situations, so that some refugees have been able to return to their homes.

Sadly, the overall message of the report is that basic long-standing international principles of asylum and refugee protection are in trouble. As this report points out, the United States bears a share of responsibility for this problem. The summary exclusion provisions of last year's immigration law, and the continued detention of asylum-seekers sets a poor example for other countries which look to the United States for guidance on asylum and refugee protection.

Mr. President, I ask unanimous consent that a U.S. Committee for Refugees press release be printed in the RECORD.

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

ASYLUM ERODING IN MORE COUNTRIES, REPORT FINDS; REFUGEES' LIVES, PROTECTION PRINCIPLES ENDANGERED

WASHINGTON, DC.—Asylum for refugees around the world is eroding in more countries than ever before, as governments, including those traditionally friendly to refugees, either close their borders completely or offer ''pseudo-asylum'' that lacks adequate protection, the U.S. Committee for Refugees (USCR) said today.

''We are seeing a continuing deterioration in the quality of protection and assistance countries are willing to offer to those fleeing persecution and violence,'' said USCR Director Roger Winter in releasing USCR's 1997 World Refugee Survey. ''This pseudo-asylum not only endangers the lives and well-being of refugees, but threatens to kill the principle of asylum itself,'' Winter said.

USCR's World Refugee Survey is considered the preeminent source for information on the worldwide refugee situation, and this year's Survey includes 120 detailed country reports, 12 statistical tables, and essays on deteriorating asylum standards.

The 1997 World Refugee Survey provides examples of countries either shutting their doors to asylum seekers or offering pseudo-asylum in the past year:

The international community deprived Rwandan refugees of true asylum by ignoring serious protection problems in refugee

camps in Zaire. The lack of proper asylum for legitimate Rwandan refugees became one trigger for the current civil war in Zaire, which in turn triggered attacks on Zaire's refugee camps. Significant numbers of Rwandan refugees continue to die in central Zaire.

The *Bulk Challenge*—a freighter packed with Liberian refugees fleeing violence and chaos in their country—was turned away from one West African port after another last May.

Burmese refugees in Thailand suffered cross-border attacks on their camps in 1996, while Thai authorities offered little security. In recent months, there have been instances of Thai authorities preventing New Burmese asylum seekers from entering Thailand and forcibly returning those who have managed to cross the border.

Iraq Curds who fled to Iran last September returned to Iraq by the end of the year because the quality of asylum offered by Iranian authorities was so poor. The close proximity of the camps to the border allowed them to be shelled from Iraq, while basic services were lacking. When the Iraqis began returning to their country under questionable circumstances, UNHCR was not permitted access to the camps.

''The deterioration of asylum is not only an African phenomenon,'' said Winter. ''The problem can be found in every corner of the world and even in our own backyards as the recent changes in U.S. asylum law shows,'' he said. The new U.S. asylum law, which went into effect in April, makes it harder for asylum seekers to apply for asylum, in part through a summary removal procedure for persons arriving with false documents, the only way many asylum seekers can flee repressive governments.

Other Western governments are also taking a more restrictive approach. In Germany, authorities are seeking to withdraw asylum for Bosnians prematurely. Authorities there recently ended temporary protected status for Bosnians and are beginning to send them back to an unstable situation in Bosnia, which is short on housing, landmine sweeping, jobs, freedom of movement, and tolerance.

The 1997 World Refugee Survey reports that although the total number of refugees, internally displaced people, and asylum seekers is at a seven-year low of roughly 34 million people, the reasons are complex. While human rights conditions have sufficiently improved for refugees to repatriate to Guatemala, Haiti, Mozambique, and Cambodia, refugees elsewhere have been forcibly repatriated to unsafe conditions. At least 18 countries, including the United States, forcibly expelled refugees or insufficiently screened asylum seekers in 1996.

Founded in 1958, the U.S. Committee for Refugees (USCR) is a private humanitarian agency which defends the rights of refugees, asylum seekers, and displaced persons worldwide.

COUNTRIES THAT DAMAGED ASYLUM PRINCIPLES IN 1996

(This is a selected list and should not be viewed as comprehensive)

The Bahamas (denied asylum to Cubans)

Bangladesh (denied asylum to and forcibly repatriated Burmese)

Cote d'Ivoire (denied asylum to Liberians)

Germany (announced intention to forcibly repatriate Bosnians)

Ghana (denied asylum to Liberians)

Hong Kong (forcibly repatriated Vietnamese)

Iran (provided inadequate asylum for Iraqi Kurds and expelled Afghans)

Lebanon (provided inadequate asylum to Palestinians)

Tanzania (forcibly repatriated Burundians and some Rwandans and denied asylum to Burundians)

Togo (denied asylum to Liberians)

Turkey (denied asylum to Iraqi Kurds, expelled Iraqis and Iranians)

United States (provided inadequate asylum procedures for Cubans)

TRIBUTE TO MAJ. (P). RANDY O'BOYLE

Mr. THURMOND. Mr. President, when people think of special operations forces, the image that immediately comes to mind is that of the Army's Green Berets and Rangers, or the Navy's SEAL's. Few realize that the Air Force has a special operations element which is robust and impressive. Air Commandos, Combat Controllers, and ParaRescue personnel have all made important contributions to military operations and National Security over the past five decades, and today, I rise to pay tribute to one member of that community, Major Randy O'Boyle, who is about to assume command of the 551st Flight Training Squadron.

For the past several years, Major O'Boyle has been a tireless and diligent advocate as the Deputy Director of Legislative Affairs for the United States Special Operations Command. In that capacity, he has worked closely with Senators, Representatives, and their staffers in order to explain the missions and needs of this unique, joint-service Command. In the process he has helped to give Members of Congress a better understanding of the capabilities of our Nation's special operators and has provided us with the information necessary for us to help shape policy and the future of our special warfare elements.

Major O'Boyle was particularly effective in his job as he brought with him to Washington both extensive experience as an Air Force Officer and as a special operator. An accomplished pilot, Randy O'Boyle has literally thousands of hours behind the stick of the Air Force's Pave Low helicopter, an aircraft specifically modified to support special operations. During Operation Just Cause, Randy demonstrated his abilities as a pilot and his coolness under pressure as he flew combat operations in support of Army, Navy, and Air Force special forces personnel as they fought to liberate Panama from the grasp of the dictator Manuel Noriega. Major O'Boyle's experience and expertise was put to good use a little more than a year later during the Gulf War, where he played an instrumental role in helping to plan the coalition forces' first strike into Iraq, kicking off Operation Desert Storm. His intimate knowledge of what is required of both a successful tactical and planning officer provided Major O'Boyle with an unusual insight to how the Special Operations Command functions. His understanding of what the needs of Special Operations personnel are, from the newest member on a Special Forces or SEAL Team to the Commander of one of the SOCOM Theater Commands, assured that he was able to speak knowledgeably and eloquently on literally every aspect of special operations. In addition, his easy-going Midwestern demeanor, engaging personality, and quick-witted sense of humor all assured that he established a bond with those he worked with both in the Department of Defense and in the halls of Congress.

As Major O'Boyle leaves Washington and heads west to the famed painted landscapes of New Mexico, he leaves many friends who have enjoyed working with him during his assignments here. Though the ranks of the Special Operations Command are filled with nothing but capable individuals, I am certain that SOCOM Legislative Affairs will miss Major O'Boyle's positive and determined attitude and his effective representation of the Command. Without a doubt though, the young Air Commandos who will come under his command at the 551st Training Squadron will benefit greatly from his tutelage. I am especially pleased to note that Randy will pin on the silver oak leaf of a Lieutenant Colonel on June 1, I hope that he continues to enjoy great success in the years to come.

MESSAGES FROM THE HOUSE

At 9:42 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 84. Concurrent resolution establishing the congressional budget for the U.S. Government for fiscal year 1998 and setting forth appropriate budgetary levels for fiscal years 1999, 2000, 2001, and 2002.

At 1 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the following concurrent resolution, without amendment:

S. Con. Res. 26. Concurrent resolution to permit the use of the rotunda of the Capitol for a congressional ceremony honoring Mother Teresa.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1306. An act to amend the Federal Deposit Insurance Act to clarify the applicability of host State laws to any branch in such State of an out-of-State bank.

H.R. 1650. An act to authorize the President to award a gold medal on behalf of the Congress to Mother Teresa of Calcutta in recognition of her outstanding and enduring contributions through humanitarian and charitable activities, and for other purposes.

At 4:09 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 543. An act to provide certain protections to volunteers, nonprofit organizations, and governmental entities in lawsuits based on the activities of volunteers.

MEASURE REFERRED

The Committee on Energy and Natural Resources was discharged from further consideration of the following measure which was referred to the Committee on Indian Affairs:

S. 156. A bill to provide certain benefits of the Pick-Sloan Missouri River Basin program to the Lower Brule Sioux Tribe, and for other purposes.

MEASURE PLACED ON THE CALENDAR

The following measure was read and placed on the calendar:

H. Con. Res. 84. Concurrent resolution establishing the congressional budget for the U.S. Government for fiscal year 1998 and setting forth appropriate budgetary levels for fiscal years 1999, 2000, 2001, and 2002.

MEASURE READ THE FIRST TIME

The following bill was read the first time:

H.R. 1306. An act to amend the Federal Deposit Insurance Act to clarify the applicability of host State laws to any branch in such State of an out-of-State bank.

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–1950. A communication from the Chairman of the National Defense Panel, transmitting, pursuant to law, the report of the assessment of the May 1997 quadrennial defense review; to the Committee on Armed Services.

EC–1951. A communication from the Director of the Washington Headquarters Services, Department of Defense, transmitting, pursuant to law, a rule entitled ''Civilian Health'' (RIN0720–AA40) received on May 16, 1997; to the Committee on Armed Services.

EC–1952. A communication from the Secretary of U.S. Securities and Exchange Commission, transmitting, pursuant to law, two rules under the Investment Advisers Act of 1940 (RIN3235–AH07) received on May 16, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC–1953. A communication from the Assistant General Counsel of the Department of Education, transmitting, pursuant to law, five rules including a rule entitled ''Technology Innovation Challenge Grants'' (RIN1810–AA82); to the Committee on Labor and Human Resources.

EC–1954. A communication from the Director of the Regulations Policy, Management Staff, Office of Policy, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, five rules including a rule entitled ''Drug Labeling'' (RIN0910–AA45); to the Committee on Labor and Human Resources.

EC–1955. A communication from the Director of the Institute of Museum and Library Services, transmitting, a draft of proposed legislation to make technical amendments to the Museum and Library Services Act of 1996; to the Committee on Labor and Human Resources.

EC–1956. A communication from the Secretary of Education, transmitting, a draft of proposed legislation entitled ''The Adult Basic Education and Literacy for the Twenty-First Century Act''; to the Committee on Labor and Human Resources.

EC–1957. A communication from the Secretary of Education and the Chief Executive Officer of the Corporation for National Service, transmitting jointly, a draft of proposed legislation entitled ''The America Reads Challenge Act of 1997''; to the Committee on Labor and Human Resources.

EC–1958. A communication from the Director of Communications and Legislative Affairs, U.S. Equal Employment Opportunity Commission, transmitting, pursuant to law, a rule entitled ''Increased Fine for Notice Posting Violations'' received on May 12, 1997; to the Committee on Labor and Human Resources.

EC–1959. A communication from the Chairman of the Harry S. Truman Scholarship Foundation, transmitting, pursuant to law, the annual report for calendar year 1996; to the Committee on Labor and Human Resources.

EC–1960. A communication from the President of the James Madison Memorial Fellowship Foundation, transmitting, pursuant to law, the annual report for fiscal year 1996; to the Committee on Labor and Human Resources.

EC–1961. A communication from the Deputy Executive Director and Chief Operating Officer of the Pension Benefit Guaranty Corporation, transmitting, pursuant to law, a rule entitled ''Allocation of Assets'' received on May 12, 1997; to the Committee on Labor and Human Resources.

EC–1962. A communication from the Assistant Secretary of Education for Civil Rights, transmitting, pursuant to law, the annual report for fiscal year 1996; to the Committee on Labor and Human Resources.

EC–1963. A communication from the Acting Assistant Secretary of Labor for Employment and Training, transmitting, pursuant to law, a rule entitled ''Training and Employment Guidance Letters No. 6–96, 7–96 received on April 22, 1997; to the Committee on Labor and Human Resources.

EC–1964. A communication from the President of the U.S. Institute of Peace, transmitting, pursuant to law, the report of the audit for fiscal year 1996; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 459. A bill to amend the Native American Programs Act of 1974 to extend certain authorizations, and for other purposes (Rept. No. 105–20).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

IN THE AIR FORCE

The following-named officer for appointment in the U.S. Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John W. Handy, 0000

IN THE ARMY

The following-named officers for appointment in the Reserve of the Army to the grade indicated under title 10, United States Code, section 12203:

To be major general

Brig. Gen. James W. Darden, 0000
Brig. Gen. Michael E. Dunlavey, 0000
Brig. Gen. Michael T. Gaw, 0000
Brig. Gen. George O. Hillard III, 0000

To be brigadier general

Col. Richard W. Hammond, 0000
Col. John R. Tindall, Jr., 0000
Col. Gary C. Wattnem, 0000

IN THE MARINE CORPS

The following-named officer for appointment in the U.S. Marine Corps to the grade indicated under title 10. United States Code, section 624:

To be brigadier general

Col. Terry L. Paul, 0000

IN THE NAVY

The following-named officers for appointment in the U.S. Navy to the grade indicated under title 10, United States Code, section 624:

To be rear admiral

Rear Adm. (1h) Joan M. Engel, 0000
Rear Adm. (1h) Jerry K. Johnson, 0000

(The above nominations were reported with the recommendation that they be confirmed.)

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably 4 nomination lists in the Air Force, Army, Marine Corps, and the Navy which were printed in full in the CONGRESSIONAL RECORDS of January 28, April 25 and 28, 1997, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of January 28, April 25 and 28, 1997, at the end of the Senate proceedings.)

* * In the Air Force there are 686 appointments to the grade of colonel and below (list begins with Neal A. Andren) (Reference No. 172)

* * In the Army Reserve there are 41 appointments to the grade of colonel (list begins with James A. Adkins) (Reference No. 305)

* * In the Navy there are 2 appointments to the grade of commander and below (list begins with Thomas P. Yavorski) (Reference No. 308)

* * In the Navy there are 381 appointments to the grade of captain and below (list begins with Craig L. Herrick) (Reference No. 309)

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. MURKOWSKI:

S. 771. A bill to regulate the transmission of unsolicited commercial electronic mail,

and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SPECTER (for himself, Mr. COVERDELL, and Mr. HUTCHINSON):

S. 772. A bill to establish an Office of Religious Persecution Monitoring, to provide for the imposition of sanctions against countries engaged in a pattern of religious persecution, and for other purposes; to the Committee on Foreign Relations.

By Mr. DURBIN (for himself, Mr. TORRICELLI, Ms. MOSELEY-BRAUN, Mrs. MURRAY, Mr. FEINGOLD, Mr. KENNEDY, Mr. KERRY, Mrs. BOXER, and Mr. REED):

S. 773. A bill to designate certain Federal lands in the State of Utah as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRAIG (for himself and Mr. KEMPTHORNE):

S. 774. A bill to provide for the stabilization, enhancement, restoration, and management of the Coeur d'Alene River basin watershed; to the Committee on Environment and Public Works.

By Mr. JEFFORDS (for himself, Mr. KOHL, Mr. GRAMS, Mr. D'AMATO, Ms. COLLINS, Mr. DASCHLE, Mr. LEAHY, Mr. SMITH of New Hampshire, Mr. GRASSLEY, Ms. SNOWE, and Mr. KENNEDY):

S. 775. A bill to amend the Internal Revenue Code of 1986 to exclude gain or loss from the sale of livestock from the computation of capital gain net income for purposes of the earned income credit; to the Committee on Finance.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 776. A bill to amend title XVIII of the Social Security Act to provide for an increase in update for certain hospitals with a high proporation of medicare patients; to the Committee on Finance.

By Mr. JOHNSON (for himself, Mr. DASCHLE, Mr. WELLSTONE, Mr. GRAMS, Mr. HARKIN, and Mr. GRASSLEY):

S. 777. A bill to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for planning and construction of the water supply system, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LUGAR:

S. 778. A bill to authorize a new trade and investment policy for sub-Saharan African; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. D'AMATO:

S. Res. 88. A resolution to express the support of the Senate for programs such as the JumpStart Coalition for Personal Financial Literacy; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LOTT:

S. Res. 89. A resolution to constitute the majority party's membership on the Governmental Affairs Committee for the 105th Congress, or until their successors are chosen; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MURKOWSKI:

S. 771. A bill to regulate the transmission of unsolicited commercial electronic mail, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE UNSOLICITED COMMERCIAL ELECTRONIC MAIL CHOICE ACT OF 1977

Mr. MURKOWSKI. Mr. President, I rise today to introduce legislation that will address one of the major complaints of Internet users—the proliferation of unsolicited e-mail advertisements, junk e-mail, or so-called spam.

Mr. President, in the span of 5 years, an entirely new method of commerce and communication—electronic mail on the Internet—has spread around the world. Along with the benefits of this revolutionary technology, there are some negative byproducts that can only damage the integrity of this new communications medium.

Because of technological advances, Internet e-mail has also become a very inexpensive means of distributing endless e-mails solicitations that not only annoy but can also defraud recipients. Moreover, the growth of junk e-mail can clog e-mail distribution networks and overtax the ability of service providers to distribute legitimate communications.

With a minimal equipment investment, any individual or business has the capability to transmit unsolicited advertisements to thousands of people nationwide each hour with the click of a mouse. As technology advances, thousands will turn into millions, and junk e-mail could overwhelm cyberspace.

Junk e-mail is known in the trade by the derisive term of ''spam.'' Based upon the content of many of these e-mails, I'd be insulted if I were an employee of Hormel, the creator of the real Spam.

Mr. President, not only is junk e-mail an annoyance, but for many Americans, especially citizens living in rural States like Alaska, there is a real out-of-pocket cost they must pay to receive these unsolicited advertisements. When an on-line subscriber in rural Alaska or Montana, logs on to a network server, such as America OnLine, to check to see if there is e-mail, the subscriber often must pay a long distance charge. If there is no e-mail in his on-line mailbox, the subscriber's long distance charge may only cover 1 minute. However, if there are 25 messages in his mailbox, 24 of which are unsolicited e-mail ads, his long distance charges could triple or quadruple.

So what the rural on-line user is forced to do is to pay for the privilege of receiving junk e-mail and then having to waste his time hitting his delete button to empty this junk out of his mail box.

Mr. President, we ought to do something to end this practice. In 1991, Congress passed the Automated Telephone Consumer Protection Act that contained a provision which banned unsolicited fax transmissions. In the bill I am introducing today, the Unsolicited Commercial Electronic Mail Choice Act of 1997, I have not chosen to take such a sweeping and unilateral approach because the Internet is about choices, not outright bans.

What my bill does is to require the use of the word ''Advertisement'' in the subject line of any unsolicited commercial e-mail, along with the sender's real address, real e-mail address, and telephone number in the body of the message. This requirement will empower Internet users to filter out messages that they do not want to receive.

Spam generators who refuse to abide by this requirement could face legal action from private citizens, state attorneys general, and/or the Federal Trade Commission. FTC or state action could result in civil penalties of up to $11,000 per incident and, more importantly, cease and desist orders. Private citizens bringing suit could recover $5,000 plus reasonable attorney's fees.

Internet users can also choose not to unilaterally block all unsolicited commercial e-mails. Instead, they can send removal requests to specific mailing lists with further transmissions required to end within 48 hours.

Moreover, Internet Service Providers, such as America Online or Microsoft Network, would be required to filter out all e-mails with the word ''Advertisement'' in the subject line when a consumer so requests. Large service providers would have 1 year, from the date of enactment, to implement this requirement. Smaller Internet Service Providers would have 2 years to meet this requirement. Internet Service Providers would also be required to cut off service to those who use their services to send out unsolicited commercial e-mails in violation of the provisions of the act.

Mr. President, I want to point out what this bill does not attempt to do. It does not ban unsolicited commercial e-mails as some have suggested. I have not chosen an outright ban because I support the business practices of those who flood inboxes with sales pitches for worthless vitamin products and multilevel marketing schemes. Quite the contrary, I abhor such solicitations.

But I do not want to set a precedent in banning commercial speech on the Internet. Although these unsolicited advertisements are annoying, I do not believe that is a basis for an outright ban. A better approach is to simply ignore them by filtering them out. If enough Americans choose to filter out such e-mail messages, I seriously doubt that anyone will bother to send out such e-mails in the future since the cyberspace market will no longer be there.

I would also note that this bill does not impact automated mailing lists, e-mails between friends, or e-mails between businesses and their customers when there is a preexisting business relationship.

Mr. President, the Internet is about choices, not bans. The Unsolicited

Commercial Electronic Mail Message Choice Act of 1997 should restore to consumers and businesses the right to be free from endless e-mail solicitations. It will be up to the consumer to decide if he or she wants to receive such messages. That is the way I believe Americans want it. They don't want government telling them what they can receive, but they want right to decide for themselves.

Mr. President, as I said earlier, this is a very new technology and it is not my intention to hinder it's development nor interfere with legitimate commerce transacted on the Internet. I look forward to working with my colleagues to pass legislation that resolves this problem.

I ask unanimous consent that the 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. 771

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Unsolicited Commercial Electronic Mail Choice Act of 1997''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The Internet is a worldwide network of information that growing numbers of Americans use on a regular basis for educational and personal activities.

(2) Electronic mail messages transmitted on the Internet constitute an increasing percentage of communications in the United States.

(3) Solicited commercial electronic mail is a useful and cost-effective means for Americans to receive information about a business and its products.

(4) The number of transmissions of unsolicited commercial electronic mail advertisements has grown exponentially over the past several years as the technology for creating and transmitting such advertisements in bulk has made the costs of distribution of such advertisements minimal.

(5) Individuals have available no effective means of differentiating between unsolicited commercial electronic mail advertisements and other Internet communications.

(6) The transmitters of unsolicited commercial electronic mail advertisements can easily move from State to State.

(7) Individuals and businesses that receive unsolicited commercial electronic mail advertisements often pay for the costs of such receipt, including the costs of Internet access and long distance telephone charges.

(8) Unsolicited commercial electronic mail can be used to advertise legitimate services and goods but is also used for fraudulent and deceptive purposes in violation of Federal and State law.

(9) Individuals and companies that use unsolicited commercial electronic mail for fraudulent and deceptive purposes often use fraudulent identification information in such electronic mail, making it impossible for a recipient to request to be removed from the mailing list or for law enforcement authorities to identify the sender.

(10) The inability of recipients of unsolicited commercial electronic mail to identify the senders of such electronic mail or to prevent its receipt impedes the flow of commerce and communication on the Internet and threatens the integrity of commerce on the Internet.

(11) Internet service providers are burdened by the cost of equipment necessary to process unsolicited commercial electronic mail.

(12) To facilitate the development of commerce and communication on the Internet, unsolicited commercial electronic mail should be readily identifiable and filterable by individuals and Internet service providers.

SEC. 3. REQUIREMENTS RELATING TO TRANSMISSIONS OF UNSOLICITED COMMERCIAL ELECTRONIC MAIL.

(a) INFORMATION ON ADVERTISEMENT.—

(1) REQUIREMENT.—Unless otherwise authorized pursuant to a provision of section 7, a person who transmits an electronic mail message as part of the transmission of unsolicited commercial electronic mail shall cause to appear in each electronic mail message transmitted as part of such transmission the information specified in paragraph (3).

(2) PLACEMENT.—

(A) ADVERTISEMENT.—The information specified in subparagraph (A) of paragraph (3) shall appear as the first word of the subject line of the electronic mail message without any prior text or symbol.

(B) OTHER INFORMATION.—The information specified in subparagraph (B) of that paragraph shall appear prominently in the body of the message.

(3) COVERED INFORMATION.—The following information shall appear in an electronic mail message under paragraph (1):

(A) The term ''advertisement''.

(B) The name, physical address, electronic mail address, and telephone number of the person who initiates transmission of the message.

(b) ROUTING INFORMATION.—All Internet routing information contained within or accompanying an electronic mail message described in subsection (a) shall be valid according to the prevailing standards for Internet protocols.

(c) EFFECTIVE DATE.—The requirements in this section shall take effect 30 days after the date of enactment of this Act.

SEC. 4. FEDERAL REGULATION OF UNSOLICITED COMMERCIAL ELECTRONIC MAIL.

(a) TRANSMISSIONS.—

(1) IN GENERAL.—Upon notice from a person of the person's receipt of electronic mail in violation of a provision of section 3 or 7, the Commission—

(A) may conduct an investigation to determine whether or not the electronic mail was transmitted in violation of the provision; and

(B) if the Commission determines that the electronic mail was transmitted in violation of the provision, may—

(i) impose upon the person initiating the transmission a civil fine in an amount not to exceed $11,000;

(ii) commence in a district court of the United States a civil action to recover a civil penalty in an amount not to exceed $11,000 against the person initiating the transmission; or

(iii) both impose a fine under clause (i) and commence an action under clause (ii).

(2) DEADLINE.—The Commission may not take action under paragraph (1)(B) with respect to a transmission of electronic mail more than 2 years after the date of the transmission.

(b) ADMINISTRATION.—

(1) NOTICE BY ELECTRONIC MEANS.—The Commission shall establish an Internet web site with an electronic mail address for the receipt of notices under subsection (a).

(2) INFORMATION ON ENFORCEMENT.—The Commission shall make available through the Internet web site established under paragraph (2) information on the actions taken by the Commission under subsection (a)(1)(B).

(3) ASSISTANCE OF FEDERAL COMMUNICATIONS COMMISSION.—The Federal Communications Commission may assist the Commission in carrying out its duties this section.

SEC. 5. ACTIONS BY STATES.

(a) IN GENERAL.—Whenever an attorney general of any State has reason to believe that the interests of the residents of that State have been or are being threatened or adversely affected because any person is engaging in a pattern or practice of the transmission of electronic mail in violation of a provision of section 3 or 7, the State, as parens patriae, may bring a civil action on behalf of its residents to enjoin such transmission, to enforce compliance with the provision, to obtain damages or other compensation on behalf of its residents, or to obtain such further and other relief as the court considers appropriate.

(b) NOTICE TO COMMISSION.—

(1) NOTICE.—The State shall serve prior written notice of any civil action under this section upon the Commission and provide the Commission with a copy of its complaint, except that if it is not feasible for the State to provide such prior notice, the State shall serve written notice immediately upon instituting such action.

(2) RIGHTS OF COMMISSION.—Upon receiving a notice with respect to a civil action under paragraph (1), the Commission shall have the right—

(A) to intervene in the action;

(B) upon so intervening, to be heard in all matters arising therein; and

(C) to file petitions for appeal.

(c) ACTIONS BY COMMISSION.—Whenever a civil action has been instituted by or on behalf of the Commission for violation of a provision of section 3 or 7, no State may, during the pendency of such action, institute a civil action under this section against any defendant named in the complaint in such action for violation of any provision as alleged in the complaint.

(d) CONSTRUCTION.—For purposes of bringing a civil action under subsection (a), nothing in this section shall prevent an attorney general from exercising the powers conferred on the attorney general by the laws of the State concerned to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary or other evidence.

(e) VENUE; SERVICE OF PROCESS.—Any civil action brought under subsection (a) in a district court of the United States may be brought in the district in which the defendant is found, is an inhabitant, or transacts business or wherever venue is proper under section 1391 of title 28, United States Code. Process in such an action may be served in any district in which the defendant is an inhabitant or in which the defendant may be found.

(f) ACTIONS BY OTHER STATE OFFICIALS.—Nothing in this section may be construed to prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any civil or criminal statute of the State concerned.

(g) DEFINITION.—In this section, the term ''attorney general'' means the chief legal officer of a State.

SEC. 6. INTERNET SERVICE PROVIDERS.

(a) EXEMPTION FOR CERTAIN TRANSMISSIONS.—The provisions of this Act shall not apply to a transmission of electronic mail by an interactive computer service provider unless the provider initiates the transmission.

(b) NOTICE OF TRANSMISSIONS FROM COMMISSION.—Not later than 72 hours after receipt

from the Commission of notice that its computer equipment may have been used by another person to initiate a transmission of electronic mail in violation of a provision of section 3 or 7, an interactive computer service provider shall—

(1) provide the Commission such information as the Commission requires in order to determine whether or not the computer equipment of the provider was used to initiate the transmission; and

(2) if the Commission determines that the computer equipment of the provider was used to initiate the transmission, take appropriate actions to terminate the use of its computer equipment by that person.

(c) NOTICE OF TRANSMISSIONS FROM PRIVATE INDIVIDUALS.—

(1) IN GENERAL.—Subject to paragraph (2), not later than 14 days after receipt from a private person of notice that its computer equipment may have been used by another person to initiate a transmission of electronic mail in violation of a provision of section 3 or 7, an interactive computer service provider shall—

(A) transmit the notice to the Commission together with such information as the Commission requires in order to determine whether or not the computer equipment of the provider was used to initiate the transmission; and

(B) if the Commission determines that the computer equipment of the provider was used to initiate the transmission, take appropriate actions to terminate the use of its computer equipment by that person.

(2) MINIMUM NOTICE REQUIREMENT.—An interactive computer service provider shall transmit a notice under paragraph (1) with respect to a particular transmission of electronic mail only if the provider receives notice with respect to the transmission from more than 100 private persons.

(d) BLOCKING SYSTEMS.—

(1) REQUIREMENT.—Each interactive computer service provider shall make available to subscribers to such service a system permitting such subscribers, upon the affirmative electronic request of such subscribers, to block the receipt through such service of any electronic mail that contains the term ''advertisement'' in its subject line.

(2) NOTICE OF AVAILABILITY.—Upon the applicability of this subsection to an interactive computer service provider, the provider shall—

(A) notify each current subscriber, if any, to the service of the blocking system provided for under paragraph (1); and

(B) notify any new subscribers to the service of the blocking system.

(3) BLOCKING BY PROVIDER.—An interactive computer service provider may, upon its own initiative, block the receipt through its service of any electronic mail that contains the term ''advertisement'' in its subject line.

(4) APPLICABILITY.—The requirements in paragraphs (1) and (2) shall apply—

(A) beginning 1 year after the date of enactment of this Act, in the case of an interactive computer service provider having more than 25,000 or more subscribers; and

(B) beginning 2 years after that date, in the case of an interactive computer service provider having less than 25,000 subscribers.

(e) RECORDS.—An interactive computer service provider shall retain records of any action taken on a notice received under this section for not less than 2 years after the date of receipt of the notice.

(f) CONSTRUCTION.—Nothing in this section may be construed to require an interactive computer service provider to transmit or otherwise deliver any electronic mail message containing the term ''advertisement'' in its subject line.

(g) DEFINITION.—In this section, the term ''interactive computer service provider'' has the meaning given that term in section 230(e)(2) of the Communications Act of 1934 (47 U.S.C. 230(e)(2)).

SEC. 7. RECEIPT OF TRANSMISSIONS BY PRIVATE PERSONS.

(a) TERMINATION OF TRANSMISSIONS.—

(1) REQUEST.—A person who receives a transmission of unsolicited commercial electronic mail not otherwise authorized under this section may request, by electronic mail to the same electronic mail address from which the transmission originated, the termination of transmissions of such mail by the person initiating the transmission.

(2) DEADLINE.—A person receiving a request for the termination of transmissions of electronic mail under this subsection shall cease initiating transmissions of electronic mail to the person submitting the request not later than 48 hours after receipt of the request.

(b) AFFIRMATIVE AUTHORIZATION OF TRANSMISSIONS WITHOUT INFORMATION.—

(1) IN GENERAL.—Subject to paragraph (2), a person may authorize another person to initiate transmissions to the person of unsolicited commercial electronic mail without inclusion in such transmissions of the information required by section 3.

(2) TERMINATION.—

(A) NOTICE.—A person initiating transmissions of electronic mail under paragraph (1) shall include, with each transmission of such mail to a person authorizing the transmission under that paragraph, notice that the person authorizing the transmission may request at any time the recommencement of the inclusion in such transmissions of the information required by section 3.

(B) DEADLINE.—A person receiving a request under this paragraph shall include the information required by section 3 in all transmissions of unsolicited commercial electronic mail to the person making the request beginning not later than 48 hours after receipt of the request.

(c) CONSTRUCTIVE AUTHORIZATION OF TRANSMISSIONS WITHOUT INFORMATION.—

(1) IN GENERAL.—Subject to paragraph (2), a person who secures a good or service from, or otherwise responds electronically to, an offer in a transmission of unsolicited commercial electronic mail shall be deemed to have authorized transmissions of such mail without inclusion of the information required under section 3 from the person who initiates the transmission providing the basis for such authorization.

(2) TERMINATION.—

(A) REQUEST.—A person deemed to have authorized the transmissions of electronic mail under paragraph (1) may request at any time the recommencement of the inclusion in such transmissions of the information required by section 3.

(B) DEADLINE.—A person receiving a request under this paragraph shall include the information required by section 3 in all transmissions of unsolicited commercial electronic mail to the person making the request beginning not later than 48 hours after receipt of the request.

(d) EFFECTIVE DATE OF TERMINATION REQUIREMENTS.—Subsections (a), (b)(2), and (c)(2) shall take effect 30 days after the date of enactment of this Act.

SEC. 8. ACTIONS BY PRIVATE PERSONS.

(a) IN GENERAL.—Any person adversely affected by a violation of a provision of section 3 or 7, or an authorized person acting on such person's behalf, may, within 1 year after discovery of the violation, bring a civil action in a district court of the United States against a person who has violated the provision. Such an action may be brought to enjoin the violation, to enforce compliance with the provision, to obtain damages, or to obtain such further and other relief as the court considers appropriate.

(b) DAMAGES.—

(1) IN GENERAL.—The amount of damages in an action under this section for a violation specified in subsection (a) may not exceed $5,000 per violation.

(2) RELATIONSHIP TO OTHER DAMAGES.—Damages awarded for a violation under this subsection are in addition to any other damages awardable for the violation under any other provision of law.

(c) COST AND FEES.—The court, in issuing any final order in any action brought under subsection (a), may award costs of suit and reasonable attorney fees and expert witness fees for the prevailing party.

(d) VENUE; SERVICE OF PROCESS.—Any civil action brought under subsection (a) in a district court of the United States may be brought in the district in which the defendant is found, is an inhabitant, or transacts business or wherever venue is proper under section 1391 of title 28, United States Code. Process in such an action may be served in any district in which the defendant is an inhabitant or in which the defendant may be found.

SEC. 9. RELATION TO STATE LAWS.

(a) STATE LAW APPLICABLE UNLESS INCONSISTENT.—The provisions of this Act do not annul, alter, or affect the applicability to any person, or otherwise exempt from the applicability to any person, of the laws of any State with respect to the transmission of unsolicited commercial electronic, except to the extent that those laws are inconsistent with any provision of this Act, and then only to the extent of the inconsistency.

(b) REQUIREMENT RELATING TO DETERMINATION OF INCONSISTENCY.—The Commission may not determine that a State law is inconsistent with a provision of this Act if the Commission determines that such law places greater restrictions on the transmission of unsolicited commercial electronic mail than are provided for under such provision.

SEC. 10. DEFINITIONS.

In this Act:

(1) COMMERCIAL ELECTRONIC MAIL.—The term ''commercial electronic mail'' means any electronic mail that—

(A) contains an advertisement for the sale of a product or service;

(B) contains a solicitation for the use of a toll-free telephone number or a telephone number with a 900 prefix the use of which connects the user to a person or service that advertises the sale of or sells a product or service; or

(C) contains a list of one or more Internet sites that contain an advertisement referred to in subparagraph (A) or a solicitation referred to in subparagraph (B).

(2) COMMISSION.—The term ''Commission'' means the Federal Trade Commission.

(3) STATE.—The term ''State'' means any State of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, and any possession of the United States.

By Mr. SPECTER (for himself, Mr. COVERDELL and Mr. HUTCHINSON):

S. 772. A bill to establish an Office of Religious Persecution Monitoring, to provide for the imposition of sanctions against countries engaged in a pattern of religious persecution, and for other

purposes; to the Committee on Foreign Relations.

THE FREEDOM FROM RELIGIOUS PERSECUTION ACT OF 1997

Mr. SPECTER. Mr. President, I have sought recognition today to once again address the subject of religious persecution. I have stood here before describing the horrible tragedies occurring in many parts of the world. Sadly, very little has been done to combat the problem. That is why I am introducing the Freedom From Religious Persecution Act of 1997.

Religious persecution is a subject of great personal interest. Both of my parents, my father from the Ukraine, my mother from a small town on the Polish-Russian border, came to this country to avoid religious persecution. Freedom from religious persecution is a concept fundamental to the ideals of this country and to peoples everywhere.

Christians and other religious minorities have been and continue to be the victims of discrimination, rape, torture, enslavement, imprisonment, and even murder, because of their religious beliefs. This persecution continues today, often without diplomatic or other consequences for the offending regime. Christians are not the only ones being persecuted. Muslims and followers of other religions are also singled out for their beliefs.

In January 1996, the White House promised that a new senior advisor position would be created in the Office of the President dedicated specifically to the issue of religious persecution overseas. No such position was ever created. Instead, President Clinton established a committee in the State Department that will report to the Secretary of State and will advise the Secretary on violations of religious freedoms abroad. The committee has since met, months have gone by, but still no action has been taken. Mr. President, I and many of my colleagues agree that the time for action is now. We do not need more reviews and studies or more advice on the subject. The instances of religious persecution are well documented. We need action.

At the end of the 104th Congress, I introduced Senate Resolution 283, which discussed the need for quick, decisive action and called upon the President to appoint a White House advisor on religious persecution. After that, I worked with Senators NICKLES, Nunn, and COATS on a broader Senate Concurrent Resolution, 71, which included my provisions on a White House Senior Advisor on religious persecution. Senate Concurrent Resolution 71, which I cosponsored, passed the Senate by voice vote but there was insufficient time remaining in the 104th Congress to secure passage in the House.

So today, the persecution of Christians and other religious minorities continues to grow, often without diplomatic or other consequences for the offending regime. In countries such as Saudi Arabia, Sudan, China, and Ethiopia, Christians are systematically denied their religious liberties. Muslims have also been singled out for persecution in countries such as Burma, where Muslims are forced to relocate to undesirable areas and where Muslims are often denied educational opportunities.

Several examples illustrate the gravity of the problem. The Sudanese Government continues to essentially wage a war against its Christian population. Reports detail the forced enslavement and conversion of the Christian populations from the southern regions of Sudan. The Government bombs and burns Christians villages, has taken more than 30,000 Christian children as slaves in the last 6 years, and tortures Christian worshipers and their priests.

In Pakistan in February of this year, thousands of Christians were attacked, many houses and six churches were set on fire. Nearly 1,000 families were living in tents after being driven from their homes by rioters. Where was the Government to stop this terror? Where were the police?

Persecution of Christians is by no means limited to the Islamic world. China continues to be one of the worst offenders. At least 75 million Christians live in China but cannot practice their religion. Roman Catholics and Protestant Chinese are imprisoned and tortured for holding worship, preaching, or distributing bibles without permission.

This past August 1996, I traveled to China and met with Chinese Vice-Premier Qian Qichen to express my strong concerns about religious persecution in his country. On September 12, 1996, however, Chinese Premier Li Ping released a statement warning the Chinese people that the free exercise of their religious faith could result in harsh retribution.

In August 1996 I also visited Saudi Arabia and met with Crown Prince Abdullah to discuss the restrictions that country has on religious practices. I was deeply troubled by the fact that United States troops stationed in Saudi Arabia are not permitted to exercise their religious beliefs or even fly the American flag. According to the Pueblo Program on Religious Freedom of Freedom House, the Saudi Government has even insisted that the United States Government restrict Christian worship by American citizens on United States Embassy grounds in Saudi Arabia. American officials have apparently acquiesced to some of these demands by, for example, restricting Christian services at the Embassy in Riyadh and prohibiting Christmas services for United States troops defending Saudi interests during the gulf war.

Other examples of such persecution of Christians and other religious minorities abound. Earlier this year, I discussed the broad issue of religious persecution on the ''Capitol Enlightenment'' radio show in Virginia with host Bill Fenton and Jim Jacobson, president of Christian Solidarity International, and on ''The Diner'' cable television show in Pittsburgh, hosted by Tom Hinkling. The public response to these programs and my legislative efforts to combat religious persecution has been overwhelming. People from across the country have contacted me to urge me to continue the fight until Christians, Muslims, Jews, and others can practice their faith in any country without fear of reprisal.

The time has come for the United States to stand up for the right of all people to enjoy the fundamental freedom of religious faith. That is why I am introducing legislation with Congressman WOLF that will establish the position of Senior Advisor to the President dedicated to combating religious persecution overseas.

This legislation will also define degrees of religious persecution and will impose sanctions on offending entities. Degrees of religious persecution are defined by two categories of activity. The first is when religious persecution is ongoing and widespread and is carried out by the government or with the government's support. The second is when there is religious persecution that is not carried out with government support, but where the government fails to take serious efforts to eliminate the persecution.

The legislation will ban exports to the specific foreign government entity that carries out the persecution. These sanctions would take effect immediately upon the identification of the relevant entities and products. Additional sanctions would take effect after 90 days or 1 year depending on the level of persecution. In addition, the legislation includes immediate sanctions against Sudan, a country where religious persecution is particularly egregious.

This legislation requests more than just another report by the State Department. It is serious and it is tough. This legislation commits the United States to real action. There is no more time for talk.

Mr. President, I ask unanimous consent that the full text of the bill be inserted into the RECORD.

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

S. 772

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Freedom From Religious Persecution Act of 1997''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Governments have a primary responsibility to promote, encourage, and protect respect for the fundamental and internationally recognized right to freedom of religion.

(2) The right to freedom of religion is recognized by numerous international agreements and covenants, including the following:

(A) Article 18 of the Universal Declaration of Human Rights states that ''Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to

change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance''.

(B) Article 18 of the Covenant on Civil and Political Rights declares that ''Everyone shall have the right to freedom of thought, conscience, and religion . . .'' and further delineates the privileges under this right.

(3) Persecution of religious believers, particularly Roman Catholic and evangelical Protestant Christians, in Communist countries, such as Cuba, Laos, the People's Republic of China, North Korea, and Vietnam, persists and in some cases is increasing.

(4) In many Islamic countries and regions thereof, governments persecute non-Muslims and religious converts from Islam using means such as ''blasphemy'' and ''apostasy'' laws, and militant movements seek to corrupt a historically tolerant Islamic faith and culture through the persecution of Baha'is, Christians, and other religious minorities.

(5) The militant, Islamic Government of Sudan is waging a self-described religious war against Christian, non-Muslim, and moderate Muslim persons by using torture, starvation, enslavement, and murder.

(6) In Tibet, where Tibetan Buddhism is inextricably linked to the Tibetan identity, the Government of the People's Republic of China has intensified its control over the Tibetan people by perverting the selection of the Panchen Lama, propagandizing against the religious authority of the Dalai Lama, restricting religious study and traditional religious practices, and increasing the persecution of monks and nuns.

(7) The United States Government is committed to the right to freedom of religion and its policies and relations with foreign governments should be consistent with the commitment to this principle.

(8) The 104th Congress recognized the facts set forth in this section and stated clearly the sense of the Senate and the House of Representatives regarding these matters in approving—

(A) H. Res. 515, expressing the sense of the House of Representatives with respect to the persecution of Christians worldwide;

(B) S. Con. Res. 71, expressing the sense of the Senate with respect to the persecution of Christians worldwide;

(C) H. Con. Res. 102, concerning the emancipation of the Iranian Baha'i community; and

(D) section 1303 of H.R. 1561, the Foreign Relations Authorization Act, Fiscal Years 1996 and 1997.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) DIRECTOR.—The term ''Director'' means the Director of the Office of Religious Persecution Monitoring established under section 5.

(2) PERSECUTED COMMUNITY.—The term ''persecuted community'' means any religious group or community identified in section 4.

(3) PERSECUTION FACILITATING PRODUCTS, GOODS, AND SERVICES.—The term ''persecution facilitating products, goods, and services'' means those products, goods, and services which are being used or determined to be intended for use directly and in significant measure to facilitate the carrying out of acts of religious persecution.

(4) RELIGIOUS PERSECUTION.—

(A) IN GENERAL.—The term ''religious persecution'' means widespread and ongoing persecution of persons because of their membership in or affiliation with a religion or religious denomination, whether officially recognized or otherwise, when such persecution includes abduction, enslavement, killing, imprisonment, forced mass resettlement, rape, or crucifixion or other forms of torture.

(B) CATEGORY 1 RELIGIOUS PERSECUTION.—Category 1 religious persecution is religious persecution that is conducted with the involvement or support of government officials or its agents, or as part of official government policy.

(C) CATEGORY 2 RELIGIOUS PERSECUTION.—Category 2 religious persecution is religious persecution that is not conducted with the involvement or support of government officials or its agents, or as part of official government policy, but which the government fails to undertake serious and sustained efforts to eliminate.

(5) RESPONSIBLE ENTITIES.—The term ''responsible entities'' means the specific government departments, agencies, or units which directly carry out acts of religious persecution.

(6) SANCTIONED COUNTRY.—The term ''sanctioned country'' means a country on which sanctions have been imposed under section 7.

(7) UNITED STATES ASSISTANCE.—The term ''United States assistance'' means—

(A) any assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I of that Act, relating to the Overseas Private Investment Corporation), other than—

(i) assistance under chapter 8 of part I of that Act;

(ii) any other narcotics-related assistance under part I of that Act, (including chapter 4 of part II of that Act), but any such assistance provided under this clause shall be subject to the prior notification procedures applicable to reprogrammings pursuant to section 634A of that Act;

(iii) disaster relief assistance, including any assistance under chapter 9 of part I of that Act;

(iv) assistance which involves the provision of food (including monetization of food) or medicine; and

(v) assistance for refugees;

(B) sales, or financing on any terms, under the Arms Export Control Act;

(C) the provision of agricultural commodities, other than food, under the Agricultural Trade Development and Assistance Act of 1954; and

(D) financing under the Export-Import Bank Act of 1945.

(8) UNITED STATES PERSON.—Except as provided in section 12(b)(1), the term ''United States person'' means—

(A) any United States citizen or alien lawfully admitted for permanent residence into the United States; and

(B) any corporation, partnership, or other entity organized under the laws of the United States or of any State, the District of Columbia, or any territory or possession of the United States.

SEC. 4. APPLICATION AND SCOPE.

(a) SCOPE.—The provisions of this Act shall apply to all persecuted religious groups and communities, and all countries and regions thereof, referred to in the resolutions and bill set forth in paragraph (8) of section 2 or referred to in paragraphs (3) through (6) of section 2, and to any community within any country or region thereof that the Director finds, by a preponderance of the evidence, is the target of religious persecution.

(b) DESIGNATION OF ADDITIONAL COUNTRIES AND REGIONS THEREOF.—The Congress may designate additional countries or regions to which this Act applies by enacting legislation specifically citing the authority of this section.

SEC. 5. OFFICE OF RELIGIOUS PERSECUTION MONITORING.

(a) ESTABLISHMENT.—There is established in the Executive Office of the President the Office of Religious Persecution Monitoring (hereafter in this Act referred to as the ''Office'').

(b) APPOINTMENT.—The head of the Office shall be a Director who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of pay in effect for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(c) REMOVAL.—The Director shall serve at the pleasure of the President.

(d) BARRED FROM OTHER FEDERAL POSITIONS.—No person shall serve as Director while serving in any other position in the Federal Government.

(e) RESPONSIBILITIES OF DIRECTOR.—The Director shall do the following:

(1) Consider the facts and circumstances of violations of religious freedom presented in the annual reports of the Department of State on human rights under sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d) and 2304(b)).

(2) Consider the facts and circumstances of violations of religious freedom presented by independent human rights groups and nongovernmental organizations.

(3) In consultation with the Secretary of State, make policy recommendations to the President regarding the policies of the United States Government toward governments which are determined to be engaged in religious persecution.

(4) Prepare and submit the annual report described in section 6, including the determination whether a particular country is engaged in category 1 or category 2 religious persecution, and identify the responsible entities within such countries. This information shall be published in the Federal Register.

(5) Maintain the lists of persecution facilitating products, goods, and services, and the responsible entities within countries determined to be engaged in religious persecution, described in paragraph (4), adding to the list as information becomes available. This information shall be published in the Federal Register.

(6) Coordinate with the Secretary of State, the Attorney General, the Secretary of Commerce, and the Secretary of the Treasury to ensure that the provisions of this Act are fully and effectively implemented.

(f) ADMINISTRATIVE MATTERS.—

(1) PERSONNEL.—The Director may appoint such personnel as may be necessary to carry out the functions of the Office.

(2) SERVICES OF OTHER AGENCIES.—The Director may use the personnel, services, and facilities of any other department or agency, on a reimbursable basis, in carrying out the functions of the Office.

SEC. 6. REPORTS TO CONGRESS.

(a) ANNUAL REPORTS.—Not later than April 30 of each year, the Director shall submit to the Committees on Foreign Relations, Finance, the Judiciary, and Appropriations of the Senate and to the Committees on International Relations, Ways and Means, the Judiciary, and Appropriations of the House of Representatives a report described in subsection (b).

(b) CONTENTS OF ANNUAL REPORT.—The annual report of the Director shall include the following:

(1) DETERMINATION OF RELIGIOUS PERSECUTION.—With respect to each country or region thereof described in section 4, the Director shall include his or her determination, with respect to each persecuted community, whether there is category 1 religious persecution or category 2 religious persecution.

(2) IDENTIFICATION OF PERSECUTION FACILITATING PRODUCTS, GOODS, AND SERVICES.—

With respect to each country or region thereof which the Director determines is engaged in either category 1 or category 2 religious persecution, the Director, in consultation with the Secretary of State and the Secretary of Commerce, shall identify and list the persecution facilitating products, goods, and services.

(3) IDENTIFICATION OF RESPONSIBLE ENTITIES.—With respect to each country determined by the Director to be engaged in category 1 religious persecution, the Director, in consultation with the Secretary of State, shall identify and list the responsible entities within that country that are engaged in religious persecution. Such entities shall be defined as narrowly as possible.

(4) OTHER REPORTS.—The Director shall include the reports submitted to the Director by the Attorney General under section 9 and by the Secretary of State under section 10.

(c) INTERIM REPORTS.—The Director may submit interim reports to the Congress containing such matters as the Director considers necessary.

SEC. 7. SANCTIONS.

(a) PROHIBITION ON EXPORTS RELATING TO RELIGIOUS PERSECUTION.—

(1) ACTIONS BY RESPONSIBLE DEPARTMENTS AND AGENCIES.—With respect to any country in which—

(A) the Director finds the occurrence of category 1 religious persecution, the Director shall so notify the relevant United States departments and agencies, and such departments and agencies shall—

(i) prohibit all exports to the responsible entities listed under section 6(b)(3) or in any supplemental list of the Director; and

(ii) prohibit the export to such country of the persecution facilitating products, goods, and services listed under section 6(b)(2) or in any supplemental list of the Director; or

(B) the Director finds the occurrence of category 2 religious persecution, the Director shall so notify the relevant United States departments and agencies, and such departments and agencies shall prohibit the export to such country of the persecution facilitating products, goods, and services listed under section 6(b)(2) or in any supplemental list of the Director.

(2) PROHIBITIONS ON U.S. PERSONS.—(A) With respect to any country or region thereof in which the Director finds the occurrence of category 1 religious persecution, no United States person may—

(i) export any item to the responsible entities listed under section 6(b)(3) or in any supplemental list of the Director; and

(ii) export to that country any persecution facilitating products, goods, and services listed under section 6(b)(2) or in any supplemental list of the Director.

(B) With respect to any country in which the Director finds the occurrence of category 2 religious persecution, no United States person may export to that country any persecution facilitating products, goods, and services listed under section 6(b)(2) or in any supplemental report of the Director.

(3) PENALTIES.—Any person who violates the provisions of paragraph (2) shall be subject to the penalties set forth in subsections (a) and (b)(1) of section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16(a) and (b)(1)) for violations under that Act.

(4) EFFECTIVE DATE OF PROHIBITIONS.—The prohibitions on exports under paragraph (1) shall take effect with respect to a country 90 days after the finding of category 1 or category 2 religious persecution in that country or region thereof, except as provided in section 11.

(b) UNITED STATES ASSISTANCE.—

(1) CATEGORY 1 RELIGIOUS PERSECUTION.—No United States assistance may be provided to the government of any country which the Director determines is engaged in category 1 religious persecution, effective 90 days after the date on which the Director submits the report in which the determination is included.

(2) CATEGORY 2 RELIGIOUS PERSECUTION.—No United States assistance may be provided to the government of any country which the Director determines is engaged in category 2 religious persecution, effective 1 year after the date on which the Director submits the report in which the determination is included, if the Director, in the next annual report of the Director under section 6, determines that the country is engaged in either category 1 or category 2 religious persecution.

(c) MULTILATERAL ASSISTANCE.—

(1) CATEGORY 1 RELIGIOUS PERSECUTION.—With respect to any country which the Director determines is engaged in category 1 religious persecution, the President shall instruct the United States Executive Director of each multilateral development bank and of the International Monetary Fund to vote against, and use his or her best efforts to deny, any loan or other utilization of the funds of their respective institutions (other than for humanitarian assistance) to that country, effective 90 days after the Director submits the report in which the determination is included.

(2) CATEGORY 2 RELIGIOUS PERSECUTION.—With respect to any country which the Director determines is engaged in category 2 religious persecution, the President shall instruct the United States Executive Director of each multilateral development bank and of the International Monetary Fund to vote against, and use his or her best efforts to deny, any loan or other utilization of the funds of their respective institutions (other than for humanitarian assistance) to that country, effective 1 year after the date on which the Director submits the report in which the determination is included, if the Director, in the next annual report of the Director under section 6, determines that the country is engaged in either category 1 or category 2 religious persecution.

(3) REPORTS TO DIRECTOR.—If a country described in paragraph (1) or (2) is granted a loan or other utilization of funds notwithstanding the objection of the United States under this subsection, the Executive Director of the institution that made the grant shall report to the President and the Congress on the efforts made to deny loans or other utilization of funds to that country, and shall include in the report specific and explicit recommendations designed to ensure that such loans or other utilization of funds are denied to that country in the future.

(4) DEFINITION.—As used in this subsection, the term ''multilateral development bank'' means any of the multilateral development banks as defined in section 1701(c)(4) of the International Financial Institutions Act (22 U.S.C. 262r(c)(4)).

(d) VOTES FOR WTO MEMBERSHIP.—In casting any vote concerning the membership of a country in the World Trade Organization, the President shall consider as a significant factor the fact that the country is listed in the Director's report as a country which is engaged in either category 1 or category 2 religious persecution.

(e) DENIAL OF VISAS.—The Secretary of State shall deny the issuance of a visa to, and the Attorney General shall exclude from the United States, any alien who the Director determines carried out or is responsible for carrying out acts of religious persecution.

SEC. 8. WAIVER OF SANCTIONS.

(a) WAIVER AUTHORITY.—Subject to subsection (b), the President may waive the imposition of any sanction against a country under section 7 for periods of not more than 12 months each, if the President, for each waiver—

(1) determines that national security interests justify such a waiver; and

(2) provides to the Committees on Foreign Relations, Finance, the Judiciary, and Appropriations of the Senate and to the Committees on International Relations, Ways and Means, the Judiciary, and Appropriations of the House of Representatives a written notification of the President's intention to waive any such sanction.

The justification shall contain an explanation of the reasons why the President considers the waiver to be necessary, the type and amount of goods, services, or assistance to be provided pursuant to the waiver, and the period of time during which such a waiver will be effective.

(b) TAKING EFFECT OF WAIVER.—

(1) IN GENERAL.—Subject to paragraph (2), a waiver under subsection (a) shall take effect 45 days after its submission to the Congress.

(2) IN EMERGENCY CONDITIONS.—The President may waive the imposition of sanctions against a country under subsection (b) or (c) of section 7 to take effect immediately if the President, in the written notification of intention to waive the sanctions, certifies that emergency conditions exist that make an immediate waiver necessary.

(3) COMPUTATION OF 45-DAY PERIOD.—The 45-day period referred to in this subsection shall be computed by excluding—

(A) the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die; and

(B) any Saturday and Sunday, not excluded under paragraph (1), when either House is not in session.

SEC. 9. MODIFICATION OF IMMIGRATION POLICY.

(a) CREDIBLE FEAR OF PERSECUTION DEFINED.—Section 235(b)(1)(B)(v) of the Immigration and Nationality Act (8 U.S.C. 1225(b)(1)(B)(v)) (as amended by section 302 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996; Public Law 104–208; 110 Stat. 3009–582) is amended by adding at the end the following:

''Any alien who can credibly claim membership in a persecuted community found to be subject to category 1 or category 2 religious persecution in the most recent annual report sent by the Director of the Office of Religious Persecution Monitoring to the Congress under section 6 of the Freedom From Religious Persecution Act of 1997 shall be considered to have a credible fear of persecution within the meaning of the preceding sentence.''.

(b) TRAINING FOR CERTAIN IMMIGRATION OFFICERS.—Section 235 of the Immigration and Nationality Act (8 U.S.C. 1225) (as amended by section 302 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996; Public Law 104–208; 110 Stat. 3009–579) is amended by adding at the end the following:

''(d) TRAINING ON RELIGIOUS PERSECUTION.—The Attorney General shall establish and operate a program to provide to immigration officers performing functions under subsection (b), or section 207 or 208, training on religious persecution, including training on—

''(1) the fundamental components of the right to freedom of religion;

''(2) the variation in beliefs of religious groups; and

''(3) the governmental and nongovernmental methods used in violation of the right to freedom of religion.''.

(c) ASYLUM.—Section 208 of the Immigration and Nationality Act (8 U.S.C. 1158) (as

amended by section 604 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996; Public Law 104–208; 1110 Stat. 3009–690) is amended by adding at the end the following:

''(e) SPECIAL RULES FOR RELIGIOUS PERSECUTION CLAIMS.—

''(1) PROCEDURES UPON DENIAL.—

''(A) IN GENERAL.—In any case in which the Service denies, or refers to an immigration Judge, an asylum application filed by an alien described in the second sentence of section 235(b)(1)(B)(v), or in any case in which an immigration Judge denies such an application on the ground that the alien is not a refugee within the meaning of section 101(a)(42)(A), the Service shall provide the alien with the following:

''(i) A written statement containing the reasons for the denial, which shall be supported by references to—

''(I) the most recent annual report sent by the Director of the Office of Religious Persecution Monitoring to the Congress under section 6 of the Freedom From Religious Persecution Act of 1997; and

''(II) either—

''(aa) the most recent country report on human rights practices issued by the Secretary of State; or

''(bb) any other report issued by the Secretary of State concerning conditions in the country of which the alien is a national (or, in the case of an alien having no nationality, the country of the alien's last habitual residence).

''(ii) A copy of any assessment sheet prepared by an asylum officer for a supervisory asylum officer with respect to the application.

''(iii) A list of any publicly available materials relied upon by an asylum officer as a basis for denying the application.

''(iv) A copy of any materials relied upon by an asylum officer as a basis for denying the application that are not available to the public, except Federal agency records that are exempt from disclosure under section 552(b) of title 5, United States Code.

''(B) CREDIBILITY IN ISSUE.—In any case described in subparagraph (A) in which the denial is based, in whole or in part, on credibility grounds, the Service shall also provide the alien with the following:

''(i) The statements by the applicant, or other evidence, that were found not to be credible.

''(ii) A statement certifying that the applicant was provided an opportunity to respond to the Service's position on the credibility issue.

''(iii) A brief summary of such response, if any was made.

''(iv) An explanation of how the negative determination on the credibility issue relates to the applicant's religious persecution claim.

''(2) EFFECT IN SUBSEQUENT PROCEEDINGS.—

''(A) USE AT OPTION OF APPLICANT.—Any material provided to an alien under paragraph (1) shall be considered part of the official record pertaining to the alien's asylum application solely at the option of the alien.

''(B) NO EFFECT ON REVIEW.—The provision of any material under paragraph (1) to an alien shall not be construed to alter any standard of review otherwise applicable in any administrative or judicial adjudication concerning the alien's asylum application.

''(3) DUTY TO SUBMIT REPORT ON RELIGIOUS PERSECUTION.—In any judicial or administrative proceeding in which the Service opposes granting asylum to an alien described in the second sentence of section 235(b)(1)(B)(v), the Service shall submit to the court or administrative adjudicator a copy of the most recent annual report submitted to the Congress by the Director of the Office of Religious Persecution Monitoring under section 6 of the Freedom From Religious Persecution Act of 1997, and any interim reports issued by such Director after such annual report.''.

(d) ANNUAL REPORT.—Not later than January 1 of each year, the Attorney General shall submit to the Director an annual report that includes the following:

(1) With respect to the year that is the subject of the report, the number of applicants for asylum or refugee status whose applications were based, in whole or in part, on religious persecution.

(2) In the case of such applications, the number that were proposed to be denied, and the number that were finally denied.

(3) In the case of such applications, the number that were granted.

(4) A description of developments with respect to the adjudication of applications for asylum or refugee status filed by an alien who claims to be a member of a persecuted community that the Director found to be subject to category 1 or category 2 religious persecution in the most recent annual report submitted to the Congress under section 6.

(5) With respect to the year that is the subject of the report, a description of training on religious persecution provided under section 235(d) of the Immigration and Nationality Act (as added by subsection (b)) to immigration officers performing functions under section 235(b) of such Act, or adjudicating applications under section 207 or 208 of such Act, including a list of speakers and materials used in such training and the number of officers who received such training.

(e) ADMISSION PRIORITY.—For purposes of section 207(a)(3) of the Immigration and Nationality Act, an individual who is a member of a persecuted community that the Director found to be subject to category 1 or category 2 religious persecution in the most recent annual report submitted to the Congress under section 6, and is determined by the Attorney General to be a refugee within the meaning of section 101(a)(42)(A) of the Immigration and Nationality Act, shall be considered a refugee of special humanitarian concern to the United States. In carrying out such section, such an individual shall be given priority status at least as high as that given to any member of any other specific group of refugees of special concern to the United States.

(f) NO EFFECT ON OTHERS' RIGHTS.—Nothing in this section, or any amendment made by this section, shall be construed to deny any applicant for asylum or refugee status any right, privilege, protection, or eligibility otherwise provided by law.

SEC. 10. STATE DEPARTMENT HUMAN RIGHTS REPORTS.

(a) ANNUAL HUMAN RIGHTS REPORT.—In preparing the annual reports of the State Department on human rights under sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d) and 2304(b)), the Secretary of State shall, in the section on religious freedom—

(1) consider the facts and circumstances of the violation of the right to freedom of religion presented by independent human rights groups and nongovernmental organizations;

(2) report on the extent of the violations of the right to freedom of religion, specifically including whether the violations arise from governmental or nongovernmental sources, and whether the violations are encouraged by the government or whether the government fails to exercise satisfactory efforts to control such violations;

(3) report on whether freedom of religion violations occur on a nationwide, regional, or local level; and

(4) identify whether the violations are focused on an entire religion or on certain denominations or sects.

(b) TRAINING.—The Secretary of State shall—

(1) institute programs to provide training for chiefs of mission as well as Department of State officials—

(A) having reporting responsibilities regarding the freedom of religion, which shall include training on the fundamental components of the right to freedom of religion, the variation in beliefs of religious groups, and the governmental and nongovernmental methods used in the violation of the right to freedom of religion; and

(B) the identification of independent human rights groups and nongovernmental organizations with expertise in the matters described in subparagraph (A); and

(2) submit to the Director, not later than January 1 of each year, a report describing all training provided to Department of State officials with respect to religious persecution during the preceding 1-year period, including a list of instructors and materials used in such training and the number and rank of individuals who received such training.

SEC. 11. TERMINATION OF SANCTIONS.

(a) TERMINATION OF SANCTIONS.—If the Director determines that a sanctioned country has substantially eliminated religious persecution in that country, the Director shall notify the Congress of that determination in writing. The sanctions described in section 7 shall cease to apply with respect to that country 45 days after the Congress receives the notification of such a determination. The 45-day period referred to in this section shall be computed by excluding—

(1) the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die; and

(2) any Saturday and Sunday, not excluded under paragraph (1), when either House is not in session.

(b) WITHDRAWAL OF FINDING.—Any determination of the Director under section 6 may be withdrawn before taking effect if the Director makes a written determination, on the basis of a preponderance of the evidence, that the country substantially eliminated any category 1 or category 2 religious persecution that existed in that country. The Director shall submit to the Congress each determination under this subsection.

SEC. 12. SANCTIONS AGAINST SUDAN.

(a) EXTENSION OF SANCTIONS UNDER EXISTING LAW.—Any sanction imposed on Sudan because of a determination that the government of that country has provided support for acts of international terrorism, including—

(1) export controls imposed pursuant to the Export Administration Act of 1979,

(2) prohibitions on transfers of munitions under section 40 of the Arms Export Control Act,

(3) the prohibition on assistance under section 620A of the Foreign Assistance Act of 1961,

(4) section 2327(a) of title 10, United States Code,

(5) section 6 of the Bretton Woods Agreements Act Amendments, 1978 (22 U.S.C. 286e–11),

(6) section 527 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (as contained in Public Law 104–208), and

(7) section 901(j) of the Internal Revenue Code of 1986,

shall continue in effect after the enactment of this Act until the Director determines, in accordance with section 11, that Sudan has substantially eliminated religious persecution in that country, or the determination

that the government of that country has provided support for acts of international terrorism is no longer in effect, whichever occurs later. For purposes of the preceding sentence, the reference in section 11 to ''sanctions described in section 7'' shall be deemed to refer to sanctions described in paragraphs (1) through (7) of this subsection.

(b) ADDITIONAL SANCTIONS ON SUDAN.—Effective 90 days after the date of the enactment of this Act, the following sanctions (to the extent not covered under subsection (a)) shall apply with respect to Sudan:

(1) PROHIBITION ON FINANCIAL TRANSACTIONS WITH GOVERNMENT OF SUDAN.—

(A) OFFENSE.—Any United States person who knowingly engages in any financial transaction, including any loan or other extension of credit, directly or indirectly, with the Government of Sudan shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 10 years, or both.

(B) DEFINITIONS.—As used in this paragraph:

(i) FINANCIAL TRANSACTION.—The term ''financial transaction'' has the meaning given that term in section 1956(c)(4) of title 18, United States Code.

(ii) UNITED STATES PERSON.—The term ''United States person'' means—

(I) any United States citizen or national;

(II) any permanent resident alien;

(III) any juridical person organized under the laws of the United States; and

(IV) any person in the United States.

(2) PROHIBITION ON IMPORTS FROM SUDAN.—No article which is grown, produced, manufactured by, marketed, or otherwise exported by the Government of Sudan, may be imported into the United States.

(3) PROHIBITIONS ON UNITED STATES EXPORTS TO SUDAN.—

(A) PROHIBITION ON COMPUTER EXPORTS.—No computers, computer software, or goods or technology intended to manufacture or service computers may be exported to or for use of the Government of Sudan.

(B) REGULATIONS OF THE SECRETARY OF COMMERCE.—The Secretary of Commerce may prescribe such regulations as may be necessary to carry out subparagraph (A).

(C) PENALTIES.—Any person who violates this paragraph shall be subject to the penalties provided in section 11 of the Export Administration Act of 1979 (50 U.S.C. App. 2410) for violations under that Act.

(4) PROHIBITION ON NEW INVESTMENT IN SUDAN.—

(A) PROHIBITION.—No United States person may, directly or through another person, make any new investment in Sudan that is not prohibited by paragraph (1).

(B) REGULATIONS.—The Secretary of Commerce may prescribe such regulations as may be necessary to carry out subparagraph (A).

(C) PENALTIES.—Any person who violates this paragraph shall be subject to penalties provided in section 11 of the Export Administration Act of 1979 (50 U.S.C. App. 2410) for violations under that Act.

(5) AVIATION RIGHTS.—

(A) AIR TRANSPORTATION RIGHTS.—The Secretary of Transportation shall prohibit any aircraft of a foreign air carrier owned or controlled, directly or indirectly, by the Government of Sudan or operating pursuant to a contract with the Government of Sudan from engaging in air transportation with respect to the United States, except that such aircraft shall be allowed to land in the event of an emergency for which the safety of an aircraft's crew or passengers is threatened.

(B) TAKEOFFS AND LANDINGS.—The Secretary of Transportation shall prohibit the takeoff and landing in Sudan of any aircraft by an air carrier owned, directly or indirectly, or controlled by a United States person, except that such aircraft shall be allowed to land in the event of an emergency for which the safety of an aircraft's crew or passengers is threatened, or for humanitarian purposes.

(C) TERMINATION OF AIR SERVICE AGREEMENTS.—To carry out subparagraphs (A) and (B), the Secretary of State shall terminate any agreement between the Government of Sudan and the Government of the United States relating to air services between their respective territories.

(D) DEFINITIONS.—For purposes of this paragraph, the terms ''aircraft'', ''air transportation'', and ''foreign air carrier'' have the meanings given those terms in section 40102 of title 49, United States Code.

(6) PROHIBITION ON PROMOTION OF UNITED STATES TOURISM.—None of the funds appropriated or otherwise made available by any provision of law may be available to promote United States tourism in Sudan.

(7) GOVERNMENT OF SUDAN BANK ACCOUNTS.—

(A) PROHIBITION.—A United States depository institution may not accept, receive, or hold a deposit account from the Government of Sudan, except for such accounts which may be authorized by the President for diplomatic or consular purposes.

(B) ANNUAL REPORTS.—The Secretary of the Treasury shall submit annual reports to the Congress on the nature and extent of assets held in the United States by the Government of Sudan.

(C) DEFINITION.—For purposes of this paragraph, the term ''depository institution'' has the meaning given that term in section 19(b)(1) of the Act of December 23, 1913 (12 U.S.C. 461(b)(1)).

(8) PROHIBITION ON UNITED STATES GOVERNMENT PROCUREMENT FROM SUDAN.—

(A) PROHIBITION.—No department, agency, or any other entity of the United States Government may enter into a contract for the procurement of goods or services from parastatal organizations of Sudan except for items necessary for diplomatic or consular purposes.

(B) DEFINITION.—As used in this paragraph, the term ''parastatal organization of Sudan'' means a corporation, partnership, or entity owned, controlled, or subsidized by the Government of Sudan.

(9) PROHIBITION ON UNITED STATES APPROPRIATIONS FOR USE AS INVESTMENTS IN OR TRADE SUBSIDIES FOR SUDAN.—None of the funds appropriated or otherwise made available by any provision of law may be available for any new investment in, or any subsidy for trade with, Sudan, including funding for trade missions in Sudan and for participation in exhibitions and trade fairs in Sudan.

(10) PROHIBITION ON COOPERATION WITH ARMED FORCES OF SUDAN.—No agency or entity of the United States may engage in any form of cooperation, direct or indirect, with the armed forces of Sudan, except for activities which are reasonably necessary to facilitate the collection of necessary intelligence. Each such activity shall be considered as significant anticipated intelligence activity for purposes of section 501 of the National Security Act of 1947 (50 U.S.C. 413).

(11) PROHIBITION ON COOPERATION WITH INTELLIGENCE SERVICES OF SUDAN.—

(A) SANCTION.—No agency or entity of the United States involved in intelligence activities may engage in any form of cooperation, direct or indirect, with the Government of Sudan, except for activities which are reasonably designed to facilitate the collection of necessary intelligence.

(B) POLICY.—It is the policy of the United States that no agency or entity of the United States involved in intelligence activities may provide any intelligence information to the Government of Sudan which pertains to any internal group within Sudan. Any change in such policy or any provision of intelligence information contrary to this policy shall be considered a significant anticipated intelligence activity for purposes of section 501 of the National Security Act of 1947 (50 U.S.C. 413).

The sanctions described in this subsection shall apply until the Director determines, in accordance with section 11, that Sudan has substantially eliminated religious persecution in that country. For purposes of the preceding sentence, the reference in section 11 to ''sanctions described in section 7'' shall be deemed to refer to the sanctions imposed under this subsection.

(c) MULTILATERAL EFFORTS TO END RELIGIOUS PERSECUTION IN SUDAN.—

(1) EFFORTS TO OBTAIN MULTILATERAL MEASURES AGAINST SUDAN.—It is the policy of the United States to seek an international agreement with the other industrialized democracies to bring about an end to religious persecution by the Government of Sudan. The net economic effect of such international agreement should be measurably greater than the net economic effect of the other measures imposed by this section.

(2) COMMENCEMENT OF NEGOTIATIONS TO INITIATE MULTILATERAL SANCTIONS AGAINST SUDAN.—It is the sense of the Congress that the President or, at his direction, the Secretary of State should convene an international conference of the other industrialized democracies in order to reach an international agreement to bring about an end to religious persecution in Sudan. The international conference should begin promptly and should be concluded not later than 180 days after the date of the enactment of this Act.

(3) PRESIDENTIAL REPORT.—Not less than 210 days after the date of the enactment of this Act, the President shall submit to the Congress a report containing—

(A) a description of United States' efforts to negotiate multilateral measures to bring about an end to religious persecution in Sudan; and

(B) a detailed description of economic and other measures adopted by the other industrialized countries to bring about an end to religious persecution in Sudan, including an assessment of the stringency with which such measures are enforced by those countries.

(4) CONFORMITY OF UNITED STATES MEASURES TO INTERNATIONAL AGREEMENT.—If the President successfully concludes an international agreement described in paragraph (2), the President may, after such agreement enters into force with respect to the United States, adjust, modify, or otherwise amend the measures imposed under any provision of this section to conform with such agreement.

(5) PROCEDURES FOR AGREEMENT TO ENTER INTO FORCE.—Each agreement submitted to the Congress under this subsection shall enter into force with respect to the United States if—

(A) the President, not less than 30 days before the day on which the President enters into such agreement, notifies the House of Representatives and the Senate of the President's intention to enter into such an agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(B) after entering into the agreement, the President transmits to the House of Representatives and to the Senate a document containing a copy of the final text of such agreement, together with—

(i) a description of any administrative action proposed to implement such agreement

and an explanation as to how the proposed administrative action would change or affect existing law; and

(ii) a statement of the President's reasons regarding—

(I) how the agreement serves the interest of United States foreign policy; and

(II) why the proposed administrative action is required or appropriate to carry out the agreement; and

(C) a joint resolution approving such agreement has been enacted, in accordance with section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98–473 (98 Stat. 1936)), within 30 days of transmittal of such document to the Congress.

For purposes of applying such section 8066(c), any reference in such section to ''joint resolution'', ''resolution'', or ''resolution described in paragraph (1)'' shall be deemed to refer to a joint resolution described in subparagraph (C) of this paragraph.

(6) UNITED NATIONS SECURITY COUNCIL IMPOSITION OF SAME MEASURES AGAINST SUDAN.—It is the sense of the Congress that the President should instruct the Permanent Representative of the United States to the United Nations to propose that the United Nations Security Council, pursuant to Article 41 of the United Nations Charter, impose measures against Sudan of the same type as are imposed by this section.

(d) ADDITIONAL MEASURES AND REPORTS; RECOMMENDATIONS OF THE PRESIDENT.—

(1) UNITED STATES POLICY TO END RELIGIOUS PERSECUTION.—It shall be the policy of the United States to impose additional measures against the Government of Sudan if its policy of religious persecution has not ended on or before December 25, 1997.

(2) REPORT TO CONGRESS.—The Director shall prepare and transmit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate on or before February 1, 1998, and every 12 months thereafter, a report determining whether the policy of religious persecution by the Government of Sudan has ended.

(3) RECOMMENDATION FOR IMPOSITION OF ADDITIONAL MEASURES.—If the Director determines that the policy of religious persecution by the Government of Sudan has not ended, the President shall prepare and transmit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate on or before March 1, 1998, and every 12 months thereafter, a report setting forth recommendations for such additional measures and actions against the Government of Sudan as the Director determines will end the government's policy of religious persecution.

(e) DEFINITIONS.—As used in this section—

(1) GOVERNMENT OF SUDAN.—The term ''Government of Sudan'' includes any agency or instrumentality of the Government of Sudan.

(2) NEW INVESTMENT IN SUDAN.—The term ''new investment in Sudan''—

(A) means—

(i) a commitment or contribution of funds or other assets, or

(ii) a loan or other extension of credit,

that is made on or after the effective date of this subsection; and

(B) does not include—

(i) the reinvestment of profits generated by a controlled Sudanese entity into that same controlled Sudanese entity, or the investment of such profits in a Sudanese entity;

(ii) contributions of money or other assets where such contributions are necessary to enable a controlled Sudanese entity to operate in an economically sound manner, without expanding its operations; or

(iii) the ownership or control of a share or interest in a Sudanese entity or a controlled Sudanese entity or a debt or equity security issued by the Government of Sudan or a Sudanese entity before the date of the enactment of this Act, or the transfer or acquisition of such a share or interest, or debt or equity security, if any such transfer or acquisition does not result in a payment, contribution of funds or assets, or credit to a Sudanese entity, a controlled Sudanese entity, or the Government of Sudan.

(3) CONTROLLED SUDANESE ENTITY.—The term ''controlled Sudanese entity'' means—

(A) a corporation, partnership, or other business association or entity organized in Sudan and owned or controlled, directly or indirectly, by a United States person; or

(B) a branch, office, agency, or sole proprietorship in Sudan of a United States person.

(4) SUDANESE ENTITY.—The term ''Sudanese entity'' means—

(A) a corporation, partnership, or other business association or entity organized in Sudan; or

(B) a branch, office, agency, or sole proprietorship in Sudan of a person that resides or is organized outside Sudan.

SEC. 13. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsections (b) and (c), and except as provided in section 12, this Act and the amendments made by this Act shall take effect 120 days after the date of the enactment of this Act.

(b) APPOINTMENT OF DIRECTOR.—The Director shall be appointed not later than 60 days after the date of the enactment of this Act.

(c) REGULATIONS.—Each Federal department or agency responsible for carrying out any of the sanctions under section 7 shall issue all necessary regulations to carry out such sanctions within 120 days after the date of the enactment of this Act.

By Mr. DURBIN (for himself, Mr. TORRICELLI, Ms. MOSELEY-BRAUN, MRS. MURRAY, Mr. FEINGOLD, Mr. KENNEDY, Mr. KERRY, Mrs. Boxer, and Mr. REED):

S. 773. A bill to designate certain Federal lands in the State of Utah as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

AMERICA'S RED ROCK WILDERNESS ACT

Mr. DURBIN. Mr. President, today I am introducing America's Red Rock Wilderness Act to protect an important part of our Nation's natural heritage. America's Red Rock Wilderness Act designates 5.7 million acres of the 22 million acres of public, Bureau of Land Management (BLM) lands in Southern Utah as wilderness.

Passage of America's Red Rock Wilderness Act is essential to protect a national treasure for future generations of Americans. A companion bill, H.R. 1500, has been introduced in the House by Representative MAURICE HINCHEY with over 100 original cosponsors.

America's Red Rock Wilderness Act will protect 5.7 million acres of magnificent canyons, red rock cliffs and rock formations which are unlike any on Earth. The lands included in this legislation contain steep slick rock canyons, high cliffs offering spectacular vistas of rare rock formations, important archeological sites and rare plant and animal species. Each year, almost 8 million people from across the United States and the world visit these lands to see a part of their natural heritage and experience the beauty and solitude of this wilderness area.

However, these fragile, scenic lands are threatened by oil, gas and mining interests which are willing to sacrifice these lands for short-term economic gain. These wilderness areas are also threatened by off-road vehicle use and proposals to construct roads, communication towers, transmission lines, and dams.

Because of flaws in the original wilderness inventory conducted by BLM during the Reagan administration, only 3.2 million acres in southern Utah are currently protected as wilderness study areas. The wilderness areas included in America's Red Rock Wilderness Act are based on a careful assessment of BLM lands which meet the criteria for wilderness designation by citizen groups that form the Utah Wilderness Coalition. Unlike other proposals, this legislation does not include special interest exemptions that would undermine the integrity of the 1964 Wilderness Act.

America's Red Rock Wilderness Act is supported by a broad coalition of environmental organizations and citizen groups. In a national survey conducted by USA Today, over 90 percent of the respondents supported the designation of 5.7 million acres in southern Utah as wilderness. Newspapers across the Nation have also editorialized in support of protecting America's Red Rock Wilderness Area.

Theodore Roosevelt once stated that, ''The Nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased and not impaired in value.'' Because of the foresight of leaders like Theodore Roosevelt, national treasures such as the Grand Canyon and Yellowstone were preserved for all Americans. I urge my colleagues to join me in this effort to protect America's Red Rock Wilderness Area in southern Utah for future generations.

Mr. FEINGOLD. Mr. President, I am very pleased to be joining the junior Senator from Illinois [Mr. DURBIN] as an original cosponsor of legislation to designate 5.7 million acres of Federal lands in Utah as wilderness.

Though this is the first time this particular measure has been introduced in this body, it is not the first time that the protection of Utah's public lands has been before the Senate. During the last Congress, I joined with the former Senator from New Jersey, Mr. Bradley, in opposing the Omnibus Parks legislation because it contained provisions, which were eventually removed, that many in my home State of Wisconsin believed not only designated as wilderness too little of the Bureau of Land Management's holding in Utah deserving of such protection, but also substantively changed the protections afforded designated lands under the Wilderness Act of 1964.

Wallace Stegner wrote ''No place is a place until things that have happened there are remembered in history, ballads, yarns, legends, or monuments.''

The lands of southern Utah are legendary, alive, and well remembered in

the minds and hearts of the people of Wisconsin. In writing to me last Congress, my constituents described these lands as places of special family moments, healing silence, and incredible beauty. In March 1996, during debate on the omnibus parks bill, Ed Culhane of the Appleton Post-Crescent wrote:

> This is some of the most beautiful landscape in the world and each year hundreds of thousands of people hike into these canyons, into this hard, dry land of varnished cliffs and blasted mesas.
>
> Aldo Leopold once asked if a still higher standard of living was worth its cost in things natural, wild, and free. If we lose the Redrock Wilderness, we will get precious little in return.

Some may say, Mr. President, that this legislation is unnecessary and Utah already has the ''monument'' that Wallace Stegner wrote about, designated by President Clinton on September 18, 1997. However, it is important to note, the land of the Grand Staircase Escalante National Monument, included among the lands to be given wilderness protection in this bill, is less than one third of the lands this bill protects.

I supported the President's actions to designate the Grand Staircase Escalante National Monument. On September 17, 1997, amid reports of the pending designation, I authored a letter to President Clinton, cosigned by six other members of the Senate, supporting that action. That letter concluded with the following statement ''We remain interested in working with the Administration on appropriate legislation to evaluate and protect the full extent of public lands in Utah that meet the criteria of the 1964 Wilderness Act.''

I believe that the measure being introduced today accomplishes that goal. Identical in its designations to H.R. 1500 sponsored in the other body by Representative MAURICE HINCHEY of New York, it is the culmination of more than 10 years and four Congresses of effort in the other body beginning with the legislative work of the former Congressman from Utah, Mr. Owens.

The measure protects wild lands that really are not done justice in words. Truly remarkable American resources of red rock cliff walls, desert, canyons and gorges are found on these BLM lands which encompass the canyon country of the Colorado Plateau, the Mojave Desert and portions of the Great Basin. They include mountain ranges in western Utah, stark areas like the new National Monument, and wildlife intensive areas like the Deep Creek and Stansbury Mountains, that support habitat for deer, elk, cougars, bobcats, bighorn sheep, coyotes, birds, reptiles, and other wildlife. These regions appeal to all types of American outdoor interests from hikers and sightseers to hunters.

Phil Haslanger of the Capital Times, a paper in Madison, answered an important question I am often asked when people want to know why a Senator from Wisconsin would cosponsor legislation to protect lands in Utah. He wrote on September 13, 1995 simply that ''These are not scenes that you could see in Wisconsin. That's part of what makes them special.'' He continues, and adds what I think is an even more important reason to act to protect these lands than the landscape's uniqueness, ''the fight over wilderness lands in Utah is a test case of sorts. The anti-environmental factions in Congress are trying hard to remove restrictions on development in some of the Nation's most splendid areas.''

Wisconsinites are watching this test case closely. I believe, Mr. President, that Wisconsinites view the outcome of this fight to save Utah's lands as a sign of where the Nation is headed with respect to its stewardship of natural resources in Wisconsin. For example, some in my home State believe that among Federal lands that comprise the Apostle Islands National Lakeshore and the Nicolet and Chequamegon National Forests there are lands that are deserving of wilderness protection. I know first hand what spectacular and special places these Federal properties are, and what they mean to the people of Wisconsin. Wisconsinites want to know that, should additional lands in Wisconsin be brought forward for wilderness designation, the type of protection they expect from Federal law is still available to be extended because it had been properly extended to other places of national significance.

What Haslanger's Capital Times comments make clear is that while some in Congress may express concern about creating new wilderness in Utah, wilderness, as Wisconsinites know, is not created by legislation. Legislation to protect existing wilderness insures that future generations may have an experience on public lands equal to that which is available today. The action of Congress to preserve wild lands by extending the protections of the Wilderness Act of 1964 publicly codifies that expectation and promise.

Finally, and perhaps the most important reason why this legislation is receiving my support, and deserves the support of others in this body, is that all of the 5.7 million acres that will be protected under this bill are already public lands held in trust by the Federal Government. Thus, while they are physically located in Utah, their preservation is important to the citizens of Wisconsin as it is for others.

I am eager to work with my colleague from Illinois, Mr. DURBIN, to protect these lands. I commend him for introducing this measure.

By Mr. CRAIG (for himself and Mr. KEMPTHORNE):

S. 774. A bill to provide for the stabilization, enhancement, restoration, and management of the Coeur d'Alene River basin watershed; to the Committee on Environment and Public Works.

THE COEUR D'ALENE RIVER BASIN ENVIRONMENTAL RESTORATION ACT OF 1997

• Mr. CRAIG. Mr. President, I am today introducing, with the cosponsorship of Senator KEMPTHORNE, the Coeur d'Alene River Basin Environmental Restoration Act of 1997. This legislation would allow for a workable solution to clean up the historic effects of mining on the Coeur d'Alene Basin in North Idaho. This bill is similar to a bill (S. 1614) I introduced in the last Congress.

This legislation establishes a process that is centered around an action plan developed between the Governor of the State of Idaho and a Citizens Advisory Commission comprised of fourteen representatives of affected State and Federal government agencies, private citizens, the Coeur d'Alene Indian Tribe; and affected industries. The responsibilities of this Commission are very important to the ultimate success of cleaning up the Basin. I would like to note that a Commission that mirrors the one in this legislation was created by the Idaho legislature and that legislation was signed into law by Governor Phil Batt. I am indeed pleased that Idaho has put in place the citizen committee that is the crux of this plan to clean up the Silver Valley.

The Silver Valley of North Idaho has made contributions to the national economy and to all of our country's war efforts for well over a century. The federal government has been involved in every phase of mineral production over the history of the Valley. It is, therefore, appropriate that Congress specifically legislate a resolution of natural resources damages in the Coeur d'Alene Basin and participate in funding such a plan.

I want to make clear this legislation does not interfere with the ongoing Superfund cleanup within the 21-square mile Bunker Hill site. This legislation sets up a framework for voluntary cleanup of affected areas outside this 21-square mile area. In drafting this legislation, I have worked with the mining industry, the Coeur d'Alene tribe, local governments, the Governor of Idaho, and citizens in North Idaho. It is only through the involvement of all these parties that a solution will be reached.

Throughout this effort it has been clear that all parties want the Basin cleaned up, and they want the cleanup done with the concerns of local citizens and entities addressed and with controls and cleanup decisions made in Idaho, not in Washington, DC. These are the guiding principles that I have applied in developing this legislation.

Local cleanup has already begun in the headwaters of the Basin's drainage. Nine Mile Creek and Canyon Creek have had proven engineering designs implemented within their drainages. The Coeur d'Alene River Basin Environmental Restoration Act of 1997 would assure this type of meaningful restoration could continue. However, the actions needed in each part of the Basin are not clear. That is why my bill calls for the Governor of Idaho and the Citizens Advisory Commission to develop an Action Plan that can address the varying conditions within the

Basin. For example, engineering solutions will certainly work in portions of the Basin—but not every place. The steeper gradient streams in the upper Basin respond well to engineering fixes, but these types of fixes may only exacerbate problems in the lower, flatter portions of the Basin. Local input and control through the action plan can address such diversity and the need for varying environmental fixes.

The Department of Justice is currently pursuing a lawsuit for alleged natural resources damages in the area addressed by this legislation. For the federal government to follow such a course is folly. When the federal government litigates under Superfund, the members of the legal profession benefit, as litigation eats away at whatever resources are available for a cleanup. Litigation does not benefit the citizens affected by a cleanup and certainly does not benefit the resources that are purported to be the primary consideration when such a suit is pursued. I do not intend to see cleanup resources in North Idaho squandered in litigation. It is my goal to see that Coeur d'Alene Basin cleanup is not litigated away. That is the reason we have introduced this legislation. it will clean up the Basin, not litigiously waste the Basin's resources.●

By Mr. JEFFORDS (for himself, Mr. KOHL, Mr. GRAMS, Mr. D'AMATO, Ms. COLLINS, Mr. DASCHLE, Mr. LEAHY, Mr. SMITH of New Hampshire, Mr. GRASSLEY and Ms. SNOWE):

S. 775. A bill to amend the Internal Revenue Code of 1986 to exclude gain or loss from the sale of livestock from the computation of capital gain net income for purposes of the earned-income credit; to the Committee on Finance.

THE EARNED-INCOME CREDIT FAIRNESS ACT OF 1997

Mr. JEFFORDS. Mr. President, I am today introducing a bill along with Senator KOHL and several of my colleagues which will amend the earned-income credit to restore fairness to low-income dairy farmers across the country.

Last year during the debate over welfare reform, Congress tightened up on the requirements for eligibility for the EIC. The law was amended to prevent taxpayers with investment assets from claiming the EIC, our rationale being that taxpayers with substantial investment assets should sell those assets rather than rely on the EIC to supplement their income. Specifically, the law now reads that if you have over $2,200 in disqualified income, you cannot claim the EIC.

The earned-income credit (EIC) is a credit against tax available to low-income working taxpayers. The credit is refundable; in other words, even if you don't owe any income tax, the Government may still give you a refund. In this way, the credit is a kind of income assistance to low-income taxpayers, encouraging them to keep working.

Mr. President, the problem lies in that the IRS has interpreted the term disqualified income to include gains realized by dairy farmers when they cull and sell cows no longer suitable for dairy farming. I disagree with the IRS' interpretation, as do many of my colleagues. In my view, culled dairy cows are not investment assets. When farmers cull and sell cows no longer fit for dairy farming, they're not cashing in on their investments. To the contrary, they're cutting their losses. And we should not automatically expect proceeds from these sales to be available to support the farmer's day-to-day living expenses. Farmers may not be able to use this money to put food on his or her family's table or clothing on his family's back. He or she may have to pump these funds back into the dairy operation. If the farmer intends to maintain a viable dairy farm, he or she may use proceeds from the sale of a culled cow to acquire another cow suitable for dairy farming. So, I think it is wrong that these sale proceeds should make the low-income dairy farmer ineligible for the EIC.

The IRS' interpretation will result in the loss of income from thousands of struggling dairy farmers across the country. Dairy farmers have experienced a 25-percent decline in milk prices in recent months and for years have been faced with unstable and low milk prices. Based on the Farm Credit's analysis, the current IRS position would cost Vermont dairy farmers nearly $1 million in refunds and/or increased tax bills. Dairy farmers across the country will be adversely impacted by the current position of the IRS. The greatest impact will be in States that have a high number of small- and mid-sized family dairy operations. Losses to the Nation's dairy farmers have been estimated to be as much as $76 million.

In short, in my view, when the income generated by a farmer's dairy operations is otherwise modest, he or she should not become ineligible for the EIC when he or she has the misfortune to discover that some of his or her dairy cows are nonproductive and disposes of those nonproductive assets at a profit.

Because I disagree with the IRS interpretation, I, together with 16 colleagues, wrote to IRS Commissioner Margaret Richardson on March 13, 1997, to challenge the IRS interpretation of the EIC. Unfortunately, the IRS has maintained that its interpretation is correct. Accordingly, today I am introducing this bill, along with several of my colleagues, to overturn what we believe is an unwise and unwarranted interpretation by the IRS. I urge my colleagues to join us in this effort.

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:

U.S. SENATE,
Washington, DC, March 13, 1997.

Hon. MARGARET MILNER RICHARDSON,
Commissioner, Internal Revenue Service, Washington, DC.

DEAR COMMISSIONER RICHARDSON: We are writing because some of our constituent dairy farmers have brought to our attention their concern about a potentially adverse impact to them that may result from an IRS interpretation of the earned income credit (26 U.S.C. §32). Our constituents have informed us that in conversations with taxpayers, IRS personnel have indicated that a low-income dairy farmer may become ineligible to claim the EIC if he decides to cull from his herd a cow no longer suitable for dairy farming, and subsequently sells the cow, realizing a gain of $2,200 or more.

We believe that this interpretation is incorrect. Section 32 of the Internal Revenue Code allows low-income taxpayers a refundable credit against tax. Under §32(i)(1), this earned income credit (EIC) is not available to taxpayers with more than $2,200 in disqualified income. ''Disqualified income'' is defined to include ''capital gain net income'' for the taxable year.

According to our constituents, the IRS has characterized gains from the sale of culled cows as ''capital gain net income.'' For the definition of ''capital gain net income,'' §32(i)(1)(D) specifically references the definition of that term in §1222. Section 1222(9) defines ''capital gain net income'' as the excess of gains from sales of ''capital assets'' over such losses from such sales.

We do not believe that culled cows are ''capital assets.'' As defined in §1221(2), the term ''capital asset'' does not include ''property used in the trade or business.'' Section 1231(b) defines the term ''property used in the trade or business,'' and subsection (b)(3) specifically defines cattle held by a taxpayer for 24 months or more for dairy purposes as ''property used in the trade or business.'' It would follow, then, that any gains resulting from the sale of such cattle are not gains from sales of capital assets giving rise to ''capital gain net income.'' Accordingly, we do not believe that §32(i)(1)(D) disqualifies a dairy farmer from claiming the EIC because of gains realized from sales of culled cows.

We request that the IRS review and summarize the applicability of §32(i)(1)(D) to low-income dairy farmers who realize gains of $2,200 or more upon the sale of culled cows that they have held for more than two years. We also request that you summarize what tax treatment would result if the culled cows had not been held for two years. We look forward to your response.

Sincerely,

Jim Jeffords, Alfonse D'Amato, Jeff Sessions, Bob Smith, Patrick Leahy, Chris Dodd, Susan M. Collins, Jack Reed, Joe Biden, Mike DeWine, Chuck Grassley, Rick Santorum, Herb Kohl, Rob Grams, Olympia Snowe, Russ Feingold, Judd Gregg.

Mr. KOHL. Mr. President, I rise today as a co-author of this important legislation, which Senator JEFFORDS and I, and many others, introduce today on behalf of all of our nation's farmers.

Let me begin by thanking my colleague from Vermont for his help and leadership on this issue. The economic health of our agricultural economy is paramount to both of our regions, and to the country at large. And tax provisions related to agriculture, whether it be the earned income credit [EIC] or other provisions, have repercussions throughout our agricultural economy.

In the two regions that Senator JEFFORDS and I represent, dairy farming is of particular importance. And it is with our dairy farmers in mind that we feel an urgency in introducing this legislation. Because while the tax policy change that we are seeking to undo affects many livestock producers, it is the dairy farmers who are the hardest hit.

Mr. President, our legislation will clarify that the sale of livestock should not be treated as capital gain net income for purposes of the EIC. As you may know, in last year's welfare bill, we took steps to tighten eligibility to the EIC, a refundable tax credit available only to lower income, working Americans. We did so to ensure further that, in a time of limited Federal resources, the EIC was benefiting those that it was intended to benefit—the working poor—those who have jobs but who often need extra help to avoid turning to public assistance. For many facing tough financial times and struggling to support their families, the EIC has been the difference between hard work and a hand out, between self-worth and self-doubt. And for many dairy farmers in Wisconsin, the EIC has helped pay seed bills and farm operating expenses and put food on kitchen tables.

One of several EIC provisions approved by Congress last year expanded the category of disqualified income to include capital gain net income. As such, under current law, if a taxpayer reports more than $2,200 in capital gain net income, he or she is automatically disqualified from collecting the EIC.

On its face, this tax policy adjustment seems reasonable. Most policymakers would agree that an individual who realizes substantial capital gain income from the sale of capital assets in any given year should not be eligible for a tax credit for the working poor. The House Committee report confirms as much.

That said, however, we are here today because a subsequent IRS interpretation of that adjustment has restricted EIC eligibility in such a way that we believe goes far beyond congressional intent—distorting the purpose of last year's reforms and denying the credit to a population of hard working Americans that the EIC was designed to help—small- and mid-sized family farmers.

Specifically, the Internal Revenue Service [IRS] has interpreted capital gain income to include income generated by the sale of culled cows for purposes of the EIC. Further, the IRS argues that dairy cows represent the type of assets Congress would expect a taxpayer to sell to cover living expenses in lieu of claiming the credit.

Mr. President, though I do not question their good intentions, I believe the IRS is misguided.

As you may know, farmers sell cows no longer suited for dairy farming as a matter of course. It is a standard part of a farmer's business. And in times of low prices or economic stress, it can play an even more important role when some farmers are driven to cull cows more quickly than they otherwise would. In addition, the Tax Code defines dairy cattle held by a taxpayer for a certain period of time as property used in a trade or business, specifying that such property is excluded from the definition of capital assets. Since dairy cattle are not capital assets, it follows that sales of cattle should not give rise to capital gain income for EIC purposes.

For our Nation's dairy farmers, this unfair policy change has come at a particularly cruel time, when milk prices have declined precipitously, and many have been forced to cull cows to make ends meet. Yet instead of stretching the family budget, they learn that their actions have actually resulted in thousands of dollars in extra taxes, leaving them worse off than before.

The consequences for my home State have been devastating. In a sample of cases from a seven-county area in the eastern part of the State, the average loss of Federal and State EIC benefits to farmers has been $2,111 per family. And these are families with between one and seven children. The total loss to the approximately 12,000 Wisconsin dairy farms eligible for the EIC is estimated at $15.5 million.

Denying the EIC to family farmers on the basis of culled cows sales is wrong. It is wrong, unfair, and Congress should act swiftly to correct it.

I urge my colleagues to support this bipartisan legislation of national significance and help ensure the EIC continues to benefit those for whom Congress intended.

Mr. GRAMS. Mr. President, I am proud to be a leading co-sponsor of legislation introduced today with my friend and colleague, Senator JIM JEFFORDS of Vermont. The Earned Income Credit (EIC) Fairness Act of 1997 is a direct response to back-door efforts by the Internal Revenue Service to raise revenue on the backs of family farmers. This legislation simply clarifies the intent of Congress by preserving this important tax credit for our Nation's dairy farmers.

I want to thank Senator JEFFORDS for his leadership on this issue. My colleague from Vermont and I have differed from time to time on what is best for the Nation's dairy industry in the way of federal dairy policy. However, I have always had a profound respect for his hard work and genuine commitment to Vermont's dairy farmers. They have in Senator JEFFORDS a tireless advocate in the U.S. Senate.

I also want to commend Mike Foley, a teacher and dairy farmer from Melrose, MN for bringing this issue to my attention. Like other problems created by IRS misinterpretations of Congressional intent—including the alternative minimum tax [AMT] and the self-employment tax problems—few knew of the EIC problem and the hardship it would ultimately cause. Thanks to Mike, we now have the opportunity to restore the IRS to its proper role of carrying out current laws instead of creating new ones.

Mr. President, unless Congress acts on this legislation, the Nation's dairy farmers will be forced to pay $76 million in taxes they were never intended to pay. In effect, this is an agency-created $76 million tax hike on hard working, generally low-income, dairy producers. For dairy farmers in Minnesota, the tax hike would amount to about $6 million. As a boy who grew up on a dairy farm, I know all too well how hard dairy farmers must work to make ends meet. Long hours. Early mornings. Late nights. The vacations—even for a day—which a lot of us take for granted are unthinkable for most of our dairy producers. This is especially true for the dairy producers who would be hit hardest by the new IRS-imposed tax hike. This is wrong. Wrong because the IRS has no business raising taxes by agency fiat. And, wrong because of the severe hardship the tax hike would impose on our Nation's dairy producers.

During consideration of the 1996 Farm Bill, we promised our farmers long overdue tax relief, regulatory relief, improved risk management and research, and free and fair trade. My request of the administration, particularly the IRS, is simple. If you don't want to help keep this promise to America's farmers, simply step aside and at least don't hinder those of us who do.

I urge my colleagues to give the EIC Fairness Act of 1997 speedy consideration and passage.

By Mr. JOHNSON (for himself, Mr. DASCHLE, Mr. WELLSTONE, Mr. GRAMS, Mr. HARKIN and Mr. GRASSLEY):

S. 777. A bill to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for planning and construction of the water supply system, and for other purposes; to the Committee on Energy and Natural Resources.

THE LEWIS AND CLARK RURAL WATER SYSTEM ACT OF 1997

Mr. JOHNSON. Mr. President, today, I am proud to be introducing legislation, along with my colleagues, the Minority Leader Senator DASCHLE of South Dakota, Senator HARKIN and Senator GRASSLEY of Iowa, and Senator WELLSTONE and Senator GRAMS of Minnesota, to authorize the Lewis and Clark Rural Water System. I introduced similar legislation last year as a Member of the House of Representatives during the 104th Congress. I look forward to again working closely with my colleagues for timely consideration of this important measure.

The Lewis and Clark Rural Water System is made up of 22 rural water systems and communities in southeastern South Dakota, northwestern Iowa,

and southwestern Minnesota who have joined together in an effort to cooperatively address the dual problems facing the delivery of drinking water in this region—inadequate quantities of water and poor quality water.

This region has seen substantial growth and development in recent years, and studies have shown that future water needs will be significantly greater than the current available supply. Most of the people who are served by 10 of the water utilities in the proposed Lewis and Clark project area currently enforce water restrictions on a seasonal basis. Almost half of the membership has water of such poor quality it does not meet present or proposed standards for drinking water. More than two-thirds rely on shallow aquifers as their primary source of drinking water, aquifers which are very vulnerable to contamination by surface activities.

The Lewis and Clark system will be a supplemental supply of drinking water for its 22 members, acting as a treated, bulk delivery system. The distribution to deliver water to individual users will continue through the existing systems used by each member utility. This regionalization approach to solving these water supply and quality problems enables the Missouri River to provide a source of clean, safe drinking water to more than 180,000 individuals. A source of water which none of the members of Lewis and Clark could afford on their own.

The proposed system would help to stabilize the regional rural economy by providing water to Sioux Falls, the hub city in the region, as well as numerous small communities and individual farms in South Dakota and portions of Iowa and Minnesota.

The States of South Dakota, Iowa, and Minnesota have all authorized the project and local sponsors have demonstrated a financial commitment to this project through State grants, local water development district grants, and membership dues. The State of South Dakota has already contributed more than $400,000.

Mr. President, I do not believe our needs get any more basic than good quality, reliable drinking water, and I appreciate the fact that Congress has shown support for efforts to improve drinking water supplies in South Dakota. I look forward to continue working with my colleagues to have that support extended to the Lewis and Clark Rural Water System.

Mr. President, I ask unanimous consent that the 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. 777

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Lewis and Clark Rural Water System Act of 1997''.

SEC. 2. DEFINITIONS.

In this Act:

(1) ENVIRONMENTAL ENHANCEMENT.—The term ''environmental enhancement'' means the wetland and wildlife enhancement activities that are carried out substantially in accordance with the environmental enhancement component of the feasibility study.

(2) ENVIRONMENTAL ENHANCEMENT COMPONENT.—The term ''environmental enhancement component'' means the component described in the report entitled ''Wetlands and Wildlife Enhancement for the Lewis and Clark Rural Water System'', dated April 1991, that is included in the feasibility study.

(3) FEASIBILITY STUDY.—The term ''feasibility study'' means the study entitled ''Feasibility Level Evaluation of a Missouri River Regional Water Supply for South Dakota, Iowa and Minnesota'', dated September 1993, that includes a water conservation plan, environmental report, and environmental enhancement component.

(4) MEMBER ENTITY.—The term ''member entity'' means a rural water system or municipality that signed a Letter of Commitment to participate in the water supply system.

(5) PROJECT CONSTRUCTION BUDGET.—The term ''project construction budget'' means the description of the total amount of funds needed for the construction of the water supply system, as contained in the feasibility study.

(6) PUMPING AND INCIDENTAL OPERATIONAL REQUIREMENTS.—The term ''pumping and incidental operational requirements'' means all power requirements that are incidental to the operation of intake facilities, pumping stations, water treatment facilities, reservoirs, and pipelines up to the point of delivery of water by the water supply system to each member entity that distributes water at retail to individual users.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(8) WATER SUPPLY SYSTEM.—The term ''water supply system'' means the Lewis and Clark Rural Water System, Inc., a nonprofit corporation established and operated substantially in accordance with the feasibility study.

SEC. 3. FEDERAL ASSISTANCE FOR THE WATER SUPPLY SYSTEM.

(a) IN GENERAL.—The Secretary shall make grants to the water supply system for the planning and construction of the water supply system.

(b) SERVICE AREA.—The water supply system shall provide for safe and adequate municipal, rural, and industrial water supplies, environmental enhancement, mitigation of wetland areas, and water conservation in—

(1) Lake County, McCook County, Minnehaha County, Turner County, Lincoln County, Clay County, and Union County, in southeastern South Dakota;

(2) Rock County and Nobles County, in southwestern Minnesota; and

(3) Lyon County, Sioux County, Osceola County, O'Brien County, Dickinson County, and Clay County, in northwestern Iowa.

(c) AMOUNT OF GRANTS.—Grants made available under subsection (a) to the water supply system shall not exceed the amount of funds authorized under section 10.

(d) LIMITATION ON AVAILABILITY OF CONSTRUCTION FUNDS.—The Secretary shall not obligate funds for the construction of the water supply system until—

(1) the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) are met;

(2) a final engineering report is prepared and submitted to Congress not less than 90 days before the commencement of construction of the water supply system; and

(3) a water conservation program is developed and implemented.

SEC. 4. FEDERAL ASSISTANCE FOR THE ENVIRONMENTAL ENHANCEMENT COMPONENT.

(a) INITIAL DEVELOPMENT.—The Secretary shall make grants and other funds available to the water supply system and other private, State, and Federal entities, for the initial development of the environmental enhancement component.

(b) NONREIMBURSEMENT.—Funds provided under subsection (a) shall be nonreimbursable and nonreturnable.

SEC. 5. WATER CONSERVATION PROGRAM.

(a) IN GENERAL.—The water supply system shall establish a water conservation program that ensures that users of water from the water supply system use the best practicable technology and management techniques to conserve water use.

(b) REQUIREMENTS.—The water conservation programs shall include—

(1) low consumption performance standards for all newly installed plumbing fixtures;

(2) leak detection and repair programs;

(3) rate schedules that do not include declining block rate schedules for municipal households and special water users (as defined in the feasibility study);

(4) public education programs and technical assistance to member entities; and

(5) coordinated operation among each rural water system, and each water supply facility in existence on the date of enactment of this Act, in the service area of the system.

(c) REVIEW AND REVISION.—The programs described in subsection (b) shall contain provisions for periodic review and revision, in cooperation with the Secretary.

SEC. 6. MITIGATION OF FISH AND WILDLIFE LOSSES.

Mitigation for fish and wildlife losses incurred as a result of the construction and operation of the water supply system shall be on an acre-for-acre basis, based on ecological equivalency, concurrent with project construction, as provided in the feasibility study.

SEC. 7. USE OF PICK–SLOAN POWER.

(a) IN GENERAL.—From power designated for future irrigation and drainage pumping for the Pick-Sloan Missouri Basin program, the Western Area Power Administration shall make available the capacity and energy required to meet the pumping and incidental operational requirements of the water supply system during the period beginning on May 1 and ending on October 31 of each year.

(b) CONDITIONS.—The capacity and energy described in subsection (a) shall be made available on the following conditions:

(1) The water supply system shall be operated on a not-for-profit basis.

(2) The water supply system shall contract to purchase the entire electric service requirements of the system, including the capacity and energy made available under subsection (a), from a qualified preference power supplier that itself purchases power from the Western Area Power Administration.

(3) The rate schedule applicable to the capacity and energy made available under subsection (a) shall be the firm power rate schedule of the Pick-Sloan Eastern Division of the Western Area Power Administration in effect when the power is delivered by the Administration.

(4) It is agreed by contract among—

(A) the Western Area Power Administration;

(B) the power supplier with which the water supply system contracts under paragraph (2);

(C) the power supplier of the entity described in subparagraph (B); and

(D) the water supply system;

that in the case of the capacity and energy made available under subsection (a), the benefit of the rate schedule described in paragraph (3) shall be passed through to the water supply system, except that the power supplier of the water supply system shall not be precluded from including, in the charges of the supplier to the water system for the electric service, the other usual and customary charges of the supplier.

SEC. 8. NO LIMITATION ON WATER PROJECTS IN STATES.

This Act does not limit the authorization for water projects in the States of South Dakota, Iowa, and Minnesota under law in effect on or after the date of enactment of this Act.

SEC. 9. WATER RIGHTS.

Nothing in this Act—

(1) invalidates or preempts State water law or an interstate compact governing water;

(2) alters the rights of any State to any appropriated share of the waters of any body of surface or ground water, whether determined by past or future interstate compacts or by past or future legislative or final judicial allocations;

(3) preempts or modifies any Federal or State law, or interstate compact, governing water quality or disposal; or

(4) confers on any non-Federal entity the ability to exercise any Federal right to the waters of any stream or to any ground water resource.

SEC. 10. COST SHARING.

(a) FEDERAL COST SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall provide funds equal to 80 percent of—

(A) the amount allocated in the total project construction budget for planning and construction of the water supply system under section 3;

(B) such amounts as are necessary to defray increases in the budget for planning and construction of the water supply system under section 3; and

(C) such amounts as are necessary to defray increases in development costs reflected in appropriate engineering cost indices after September 1, 1993.

(2) SIOUX FALLS.—The Secretary shall provide funds for the city of Sioux Falls, South Dakota, in an amount equal to 50 percent of the incremental cost to the city of participation in the project.

(b) NON-FEDERAL COST SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the non-Federal share of the costs allocated to the water supply system shall be 20 percent of the amounts described in subsection (a)(1).

(2) SIOUX FALLS.—The non-Federal cost-share for the city of Sioux Falls, South Dakota, shall be 50 percent of the incremental cost to the city of participation in the project.

SEC. 11. BUREAU OF RECLAMATION.

(a) AUTHORIZATION.—The Secretary may allow the Director of the Bureau of Reclamation to provide project construction oversight to the water supply system and environmental enhancement component for the service area of the water supply system described in section 3(b).

(b) PROJECT OVERSIGHT ADMINISTRATION.—The amount of funds used by the Director of the Bureau of Reclamation for planning and construction of the water supply system shall not exceed the amount that is equal to 1 percent of the amount provided in the total project construction budget for the entire project construction period.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act $226,320,000, of which not less than $8,487,000 shall be used for the initial development of the environmental enhancement component under section 4, to remain available until expended.

Mr. WELLSTONE. Mr. President, today I join my colleagues from South Dakota, Iowa, and Minnesota in cosponsoring Lewis and Clark Rural Water System Act of 1977, and I do so with great enthusiasm for what this project could mean to the people in southwestern Minnesota, as well as those in Iowa and South Dakota who have serious problems finding adequate drinking water supplies.

Many of us never really have to think about where our water comes from, but for the people in Luverne and Worthington, Minnesota, it is a constantly nagging question, Helping provide for this sort of basic need is what I think government ought to be doing.

In a project like Lewis and Clark, governments at all levels have to work together. Municipalities, states, and the federal government each will have important roles to play, and each will have to carry a significant burden. And that is as it should be—in tough situations like this, not only is there no free lunch, but there is also no free water.

So today I am pleased to formally state my support for the Lewis and Clark project by cosponsoring its authorization legislation. The Lewis and Clark Rural Water System project is sorely needed to provide safe drinking water on a consistent basis for citizens in the tri-state region of Minnesota, South Dakota, and Iowa. For far too long communities in this region have faced great and sometimes overwhelming challenges in finding safe and reliable sources of water for their citizens. While many communities in our country have ample supplies of drinking water, twenty-two communities in this tri-state area are not so lucky. Shallow aquifers and high water tables have left many water systems in the region constantly searching for potable water. Even when these communities have managed to find sources of water, many times the water has been contaminated with unsafe levels of nitrates and bacteria, as well as high levels of naturally occurring iron and manganese.

While the lack of water, reliable water sources affects the health of these citizens in the short-term, the economic vitality of these communities is adversely affected in the long-term. Rural communities cannot plan economic growth when they do not possess long-term sources of safe drinking water. Businesses are reluctant to locate in an area where such necessities are not guaranteed. Therefore, as a strong supporter of rural economic development. I believe that this project will benefit the economic welfare of citizens who live in this region.

I recognize that some concerns still exist about the impacts of this project. I intend to work to improve the bill as it makes its way through the legislative process, and believe the concerns which some have raised regarding the environmental impacts of this project will be addressed as the project moves forward. Work on this important bill will likely be going on for some time, and I look forward to helping shape the final legislation and making the project a reality.

Mr. GRAMS. Mr. President, I rise today to join Senators DASCHLE, JOHNSON, GRASSLEY, HARKIN, and WELLSTONE as a proud cosponsor of legislation authorizing the Lewis and Clark Rural Water System. This much-needed legislation will help provide a long-term, high-quality water supply from the Missouri River to over 180,000 individuals in portions of Minnesota, South Dakota, and Iowa.

For too long, and to the detriment of community development, residents of this region have been deprived of a sustainable water resource. In light of Minnesota's reputation as the ''land of 10,000 lakes,'' it might come as a surprise to hear my home state described as being desperately short on water supplies. The southwestern corner of the state, however, is geographically very different from the rest of Minnesota. Rock County, which would be served by the Lewis and Clark system, is the only county in Minnesota without a natural lake.

Communities within the proposed water system are now served by shallow aquifers highly susceptible to drought, leading most of these communities to impose severe watering restrictions. The constant deterioration of these aquifers is evidenced through the detection of ever-increasing nitrate levels that threaten the safety of current drinking water. Moreover, increasing federal regulations have imposed expensive, unfunded mandates on communities seeking to deliver clean and healthy water to their residents.

This situation has forced communities throughout the region to aggressively explore alternative water supplies. Since 1989, the community of Worthington, Minnesota has spent between $50,000 to $75,000 annually searching for another source of water, all without success. The nearby community of Luverne, Minnesota has experienced the same disappointing results despite its significant expenditures. It is little wonder struggling communities across this region have joined together to strongly support the Lewis and Clark proposal.

Bill Weber, the distinguished mayor of Luverne, Minnesota stated: ''It made sense to us to combine our financial assets in building one system that can provide an alternative supply of drinking water for 22 systems. The only other alternative was for each of us to continue as we have in the past, exploring more costly alternatives that only helped one at a time and alternatives, which in the case of Luverne appear to be nonexistent.''

Greg Degroot, President of Worthington Public Utilities, wrote that the system ''will provide our community

with an alternative source of water that will give us some protection in the event of the loss of our existing water source and will also provide the additional water that is necessary for our community to continue to prosper and grow.''

Mr. President, under our legislation, local communities will come together with the affected states and the federal government to form a strong, financial partnership, thereby ensuring an adequate, safe water supply while reducing the costs to the American taxpayers. In fact, with our revised proposal, the city of Sioux Falls, South Dakota—by far the largest user of the proposed system—will pay 50% of the construction costs for its share of Lewis and Clark water.

Mr. President, providing healthy water to our communities is one of the most basic functions of the government. It is not a partisan issue, and therefore I am proud to join with a bipartisan group of my colleagues and the Governors of Minnesota, South Dakota, and Iowa in supporting this bill. We believe our legislation to be the best, most cost-effective answer to a severe and growing problem.

The time to enact this bipartisan legislation is now. As a member of the Energy and Natural Resources Committee, I look forward to working with the distinguished Chairman, Senator MURKOWSKI; Senator JOHNSON, the primary sponsor of this legislation and a Committee member; the rest of our colleagues; and the Clinton Administration in providing much-needed relief to our communities. They deserve nothing less.

Mr. HARKIN. Mr. President, I rise today in strong support of the Lewis and Clark Water System Act of 1997. This legislation will authorize the construction of Lewis and Clark, along with a federal commitment of assistance for construction. Lewis and Clark is designed to be a treated, bulk water delivery system for 22 communities and rural water systems located in northwest Iowa, southeast South Dakota, and southwest Minnesota. Within this tri-state area, over 200,000 persons will be assured of clean and safe drinking water from Lewis and Clark.

Lewis and Clark is necessary to address poor water quality sources, inadequate water supplies, population growth, and increasing federal regulations that the member water systems are trying to deal with. In many cases the drinking water currently delivered by Lewis and Clark's membership exceeds secondary drinking water standards for iron, manganese, sulfate, and total dissolved solids. Water of this quality is very difficult and expensive to treat. In Iowa, most of the involved drinking water systems are at, or near, their capacity, and have serious water quality problems. An engineering feasibility study completed by the Bureau of Reclamation in September 1993 concluded the project is technically feasible.

However, this project will not be economically viable without federal assistance. Because many rural areas and small communities are involved with the project, the necessary financial resources do not exist to bring Lewis and Clark to completion. Through the Bureau of Reclamation study, each utility member determined that Lewis and Clark was the most feasible and least costly alternative for meeting future drinking water needs. It is estimated that this project will provide quality water at a reasonable cost, an estimated 75 cents per 1,000 gallons.

Mr. President, this project represents a unique opportunity to bring safe, clean, and affordable drinking water to hundreds of thousands of persons in a tri-state area. It is not often Congress has the opportunity to assist in a project that has the joint cooperation of persons from three states, and twenty-two communities and local water systems. In an era when we see states and communities fighting for water resources, Lewis and Clark represents a grass-roots effort of concerned citizens, businesses, and government officials.

Lastly, I would like to add that this is a project that clearly fits the characteristics of projects traditionally funded by the Bureau of Reclamation. Given its broad support, critical needs, and clear merits, I urge the passage of this important legislation.

By Mr. LUGAR:

S. 778. A bill to authorize a new trade and investment policy for sub-Saharan African; to the Committee on Finance.

THE AFRICAN GROWTH AND OPPORTUNITY ACT

• Mr. LUGAR. Mr. President, I introduce the African Growth and Opportunity Act. A similar bill has been introduced in the House of Representatives and is now cosponsored by nearly 50 Members. It enjoys the support of many in the House leadership. I applaud the hard work of those Members of the House who have toiled to draft proactive legislation that would, if enacted, help re-shape our relationship with countries in sub-Sahara Africa.

The bill I am introducing contains a range of trade, investment and reform incentives for economic growth that require little or no new spending. It reflects much of the administration's ''Partnership for Economic Growth and Opportunity in Africa'' initiative which proposes greater U.S. attention and priority to Africa. This bill proposes important trade and investment initiatives that would be available to eligible African countries which pursue meaningful internal reforms—both economic and political reform.

The bill would seek to provide a range of trade preferences and concessions, including GSP and lower trade barriers, to eligible countries embarking on economic and political liberalization. It seeks to encourage increased private sector investment flows by engaging OPIC and other government guarantees to create private equity and infrastructure funds targeted on Africa. It proposes certain personnel changes in various government agencies to give greater attention to Africa and to facilitate U.S. trade and investment. It seeks the cooperation of international financial institutions to ease the heavy debt burden of the poorest countries in Africa. And, it seeks the cooperation of other developed countries to join us in granting trade concessions and other preferences to Africa.

To achieve sustained economic growth and political stability in Africa, the private sector must be more fully engaged. They have the investment capital, they have the knowhow, and they have the will to take calculated risks abroad. The private sector, however, will be more interested in investment, trade and the technical assistance that accompany them, if countries make the hard decisions to liberalize their economies and open their political system to participation and good governance. That process is underway in Africa, but much more needs to be done.

This bill intends to increase our commercial and official contacts and interactions in recognition of the enormous potential for economic growth and development in Africa. It reflects the vast diversity of people, cultures, economies, and potential among the forty-eight countries and the more than 600 million people. It provides incentives and rewards to the growing number of countries embarking on a host of economic and political reforms. These are reforms we should encourage and support. These changes are not only in the interests of African societies, they are in our interest as well. A stable and economically prosperous Africa will contribute to our commercial and security interests.

The ''African Growth and Opportunity Act'', therefore, includes a range of incentives and policy tools that would begin the long-overdue process of linking U.S. ties with Africa on trade and investment, not solely on foreign assistance. We should be basing our relations with Africans as partners, not just as aid recipients. For too long, American policy towards Africa has concentrated on our foreign assistance programs which have resulted in little more than a series of bi-lateral donor-recipient relationships.

While helpful in promoting economic and political development, and in alleviating humanitarian crises and other social ills, our assistance programs were never large enough to be effective in stimulating or sustaining real economic growth. They are still important and needed. But, bilateral assistance, even when coupled with assistance from other donor countries and from international banks and lending institutions, are insufficient by themselves to kick-start and sustain the economies of Africa. They have not been sufficient in eradicating contagious diseases, in eliminating chronic poverty, or in ending the cycle of under-development and recurring political turmoil.

Mr. President, we have neglected Africa's economic growth potential for too many years. For too long, American interest in sub-Sahara Africa was largely a function of our strategic considerations and trade-offs during the Cold War period. Most Americans paid attention to Africa only when there was a natural or man-made calamity or disaster. Regrettably, this has led to distortion and mis-information about the real Africa. It has retarded interest in exploring opportunities in this rich and diverse continent.

But, economic growth, political stability or the protection of human rights in Africa won't happen by themselves or by the actions of the U.S. The leadership in Africa must make it happen by their actions and decisions. We should encourage and respond to those countries and those leaders who are making the difficult decisions to implement economic and political reform.

There is little doubt that those African countries which have embarked on the road to economic and political reform are beginning to reap the kind of benefits known in other regions of the world, such as East Asia. Several countries already enjoy multi-year economic growth in the five, six to ten percent range. Uganda, for example, had a growth rate of 10% in 1995 and Ethiopia exceeded that level last year. More than 30 countries in sub-Sahara Africa have already initiated economic reform programs and some twenty-five countries have conducted open elections.

Many countries have begun to liberalize their exchange rates and prices, privatize state-owned enterprises, reduce expensive state subsidies and cut back on impediments to trade and investment. These steps and others will help African economies grow.

African trade barriers are more onerous than those in the faster growing economies in the developing world. Import tariffs are three and a half times higher than those in faster growing countries in the developing world. Along with non-tariff restrictions and assorted protectionist practices, these practices have hurt the competitiveness of Africa exports. They inflict trade losses that match or exceed the total levels of aid to Africa. As these barriers to trade and investment are eased and eliminated, they will open the way for economic growth and assist American entrepreneurs by opening their markets to our goods and services.

It may interest members to know that U.S. trade with sub-Saharan Africa grew by more than 18% last year. For the second consecutive year, the growth in U.S. trade in sub-Sahara Africa outdistanced America's overall growth in world trade. No one who has sought to invest or trade in Africa will deny that doing so has been difficult, but few would deny that the many opportunities exist.

U.S. trade with Africa amounts to only about one percent of total U.S. trade and U.S. investment there totals less than one percent of all U.S. direct investment overseas. This, despite the fact that roughly forty per cent of all America exports now go to developing countries where the greatest growth in U.S. trade and exports in recent years has taken place.

Finally, Mr. President, let me conclude by saying that I am introducing this bill to stimulate interest and to encourage serious debate in the Senate on re-orienting U.S. policy towards Africa. Without question, we have a genuine interest in Africa that is only now being recognized. Enactment of this bill will help create an environment in which the private sector will become more fully engaged in the economic development and growth and political modernization of Africa. If that happens, it will be very much in the interest of the United States.

I urge my colleagues in the Senate to take note of this bill, consider its merits, explore the growing potential for U.S. exports and investment and consider the prospects for revising and broadening our overall relationship with sub-Sahara Africa.

If we do so, our country will be a major economic and security beneficiary.

Mr. President, I ask unanimous consent that the Africa Growth and Opportunity Act be printed in full in the RECORD.

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

S. 778

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''African Growth and Opportunity Act''.

SEC. 2. FINDINGS.

The Congress finds that it is in the mutual economic interest of the United States and sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa. To that end, the United States seeks to facilitate the social and economic development of the countries of sub-Saharan Africa in a manner which strengthens and expands market-led economic growth consistent with equitable and efficient development and which reduces poverty and increases employment among the poor. In particular, the United States seeks to assist sub-Saharan African countries to achieve economic self-reliance by—

(1) strengthening and expanding the private sector in sub-Saharan Africa, especially women-owned businesses;

(2) encouraging increased trade and investment between the United States and sub-Saharan Africa;

(3) reducing tariff and nontariff barriers and other trade obstacles;

(4) expanding United States assistance to sub-Saharan Africa's regional integration efforts;

(5) negotiating free trade areas;

(6) establishing a United States-Sub-Saharan Africa Trade and Investment Partnership;

(7) focusing on countries committed to accountable government, economic reform, and the eradication of poverty;

(8) establishing a United States-Sub-Saharan Africa Economic Cooperation Forum; and

(9) continuing to support development assistance for those countries in sub-Saharan Africa attempting to build civil societies.

SEC. 3. STATEMENT OF POLICY.

The Congress supports economic self-reliance for sub-Saharan African countries, particularly those committed to—

(1) economic and political reform;

(2) market incentives and private sector growth;

(3) the eradication of poverty; and

(4) the importance of women to economic growth and development.

SEC. 4. ELIGIBILITY REQUIREMENTS.

(a) IN GENERAL.—A sub-Saharan African country shall be eligible to participate in programs, projects, or activities, or receive assistance or other benefits under this Act for a fiscal year only if the President determines that the country has established, or is making continual progress toward establishing, a market-based economy, such as the establishment and enforcement of appropriate policies relating to—

(1) promoting free movement of goods and services and factors of production between the United States and sub-Saharan Africa;

(2) promoting the expansion of the production base and the transformation of commodities and nontraditional products for exports through joint venture projects between African and United States companies;

(3) trade issues, such as protection of intellectual property rights, improvements in standards, testing, labeling and certification, and government procurement;

(4) the protection of property rights, such as protection against expropriation and a functioning and fair judicial system;

(5) tax issues, such as reducing high import and corporate taxes, controlling government consumption, participation in bilateral investment treaties, and the harmonization of such treaties to avoid double taxation;

(6) foreign investment issues, such as the provision of national treatment for foreign investors and other measures to attract foreign investors;

(7) supporting the growth of regional markets within a free trade area framework;

(8) regulatory issues, such as eliminating government corruption, minimizing government intervention in the market, monitoring the fiscal and monetary policies of the government, and supporting the growth of the private sector, in particular by promoting the emergence of a new generation of African entrepreneurs;

(9) encouraging the private ownership of government-controlled economic enterprises through divestiture programs;

(10) removing restrictions on investment; and

(11) the reduction of poverty, such as the provision of basic health and education for poor citizens, the expansion of physical infrastructure in a manner designed to maximize accessibility, increased access to market and credit facilities for small farmers and producers, and improved economic opportunities for women as entrepreneurs and employees.

(b) ADDITIONAL FACTORS.—In determining whether a sub-Saharan African country is eligible under subsection (a), the President shall take into account the following factors:

(1) An expression by such country of its desire to be an eligible country under subsection (a).

(2) The extent to which such country has made substantial progress toward—

(A) reducing tariff levels;

(B) binding its tariffs in the World Trade Organization and assuming meaningful binding obligations in other sectors of trade; and

(C) eliminating nontariff barriers to trade.

(3) Whether such country, if not already a member of the World Trade Organization, is actively pursuing membership in that Organization.

(4) The extent to which such country is in material compliance with its programs with and its obligation to the International Monetary Fund and other international financial institutions.

(c) CONTINUING COMPLIANCE.—

(1) MONITORING AND REVIEW OF CERTAIN COUNTRIES.—The President shall monitor and review the progress of those sub-Saharan African countries that have been determined to be eligible under subsection (a) but are in need of making continual progress in meeting one or more of the requirements of such subsection.

(2) INELIGIBILITY OF CERTAIN COUNTRIES.—A sub-Saharan African country described in paragraph (1) that has not made continual progress in meeting the requirements with which it is not in compliance shall be ineligible to participate in programs, projects, or activities, or receive assistance or other benefits, under this Act.

SEC. 5. ADDITIONAL AUTHORITIES AND INCREASED FLEXIBILITY TO PROVIDE ASSISTANCE UNDER THE DEVELOPMENT FUND FOR AFRICA.

(a) USE OF SUSTAINABLE DEVELOPMENT ASSISTANCE TO SUPPORT FURTHER ECONOMIC GROWTH.—It is the sense of the Congress that sustained economic growth in sub-Saharan Africa depends in large measure upon the development of a receptive environment for trade and investment, and that to achieve this objective the United States Agency for International Development should continue to support programs which help to create this environment. Investments in human resources, development, and implementation of free market policies, including policies to liberalize agricultural markets and improve food security, and the support for the rule of law and democratic governance should continue to be encouraged and enhanced on a bilateral and regional basis.

(b) DECLARATIONS OF POLICY.—The Congress makes the following declarations:

(1) The Development Fund for Africa established under chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.) has been an effective tool in providing development assistance to sub-Saharan Africa since 1988.

(2) The Development Fund for Africa will complement the other provisions of this Act and lay a foundation for increased trade and investment opportunities between the United States and sub-Saharan Africa.

(3) Assistance provided through the Development Fund for Africa will continue to support programs and activities that promote the long term economic development of sub-Saharan Africa, such as programs and activities relating to the following:

(A) Strengthening primary and vocational education systems, especially the acquisition of middle-level technical skills for operating modern private businesses and the introduction of college level business education, including the study of international business, finance, and stock exchanges.

(B) Strengthening health care systems.

(C) Strengthening family planning service delivery systems.

(D) Supporting democratization, good governance and civil society and conflict resolution efforts.

(E) Increasing food security by promoting the expansion of agricultural and agriculture-based industrial production and productivity and increasing real incomes for poor individuals.

(F) Promoting an enabling environment for private sector-led growth through sustained economic reform, privatization programs, and market-led economic activities.

(G) Promoting decentralization and local participation in the development process, especially linking the rural production sectors and the industrial and market centers throughout Africa.

(H) Increasing the technical and managerial capacity of sub-Saharan African individuals to manage the economy of sub-Saharan Africa.

(I) Ensuring sustainable economic growth through environmental protection.

(4) The African Development Foundation has a unique congressional mandate to empower the poor to participate fully in development and to increase opportunities for gainful employment, poverty alleviation, and more equitable income distribution in sub-Saharan Africa. The African Development Foundation has worked successfully to enhance the role of women as agents of change, strengthen the informal sector with an emphasis on supporting micro and small sized enterprises, indigenous technologies, and mobilizing local financing. The African Development Foundation should develop and implement strategies for promoting participation in the socioeconomic development process of grassroots and informal sector groups such as nongovernmental organizations, cooperatives, artisans, and traders into the programs and initiatives established under this Act.

(c) ADDITIONAL AUTHORITIES.—

(1) IN GENERAL.—Section 496(h) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(h)) is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

''(3) DEMOCRATIZATION AND CONFLICT RESOLUTION CAPABILITIES.—Assistance under this section may also include program assistance—

''(A) to promote democratization, good governance, and strong civil societies in sub-Saharan Africa; and

''(B) to strengthen conflict resolution capabilities of governmental, intergovernmental, and nongovernmental entities in sub-Saharan Africa.''.

(2) CONFORMING AMENDMENT.—Section 496(h)(4) of such Act, as amended by paragraph (1), is further amended by striking ''paragraphs (1) and (2)'' in the first sentence and inserting ''paragraphs (1), (2), and (3)''.

(d) WAIVER AUTHORITY.—Section 496 of the Foreign Assistance Act of 1961 (22 U.S.C. 2293) is amended by adding at the end the following:

''(p) WAIVER AUTHORITY.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the President may waive any provision of law that earmarks, for a specified country, organization, or purpose, funds made available to carry out this chapter if the President determines that the waiver of such provision of law would provide increased flexibility in carrying out this chapter.

''(2) EXCEPTIONS.—

''(A) CHILD SURVIVAL ACTIVITIES.—The authority contained in paragraph (1) may not be used to waive a provision of law that earmarks funds made available to carry out this chapter for the following purposes:

''(i) Immunization programs.

''(ii) Oral rehydration programs.

''(iii) Health and nutrition programs, and related education programs, which address the needs of mothers and children.

''(iv) Water and sanitation programs.

''(v) Assistance for displaced and orphaned children.

''(vi) Programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria, and other diseases.

''(vii) Basic education programs for children.

''(viii) Contribution on a grant basis to the United Nations Children's Fund (UNICEF) pursuant to section 301 of this Act.

''(B) REQUIREMENT TO SUPERSEDE WAIVER AUTHORITY.—The provisions of this subsection shall not be superseded except by a provision of law enacted after the date of the enactment of the African Growth and Opportunity Act which specifically repeals, modifies, or supersedes such provisions.''.

SEC. 6. UNITED STATES–SUB-SAHARAN AFRICA TRADE AND ECONOMIC COOPERATION FORUM.

(a) DECLARATION OF POLICY.—The President shall convene annual high-level meetings between appropriate officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa.

(b) ESTABLISHMENT.—Not later than 12 months after the date of the enactment of this Act, the President, after consulting with the governments concerned, shall establish a United States–Sub-Saharan Africa Trade and Economic Cooperation Forum (hereafter in this section referred to as the ''Forum'').

(c) REQUIREMENTS.—In creating the Forum, the President shall meet the following requirements:

(1) The President shall direct the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, and the United States Trade Representative to host the first annual meeting with the counterparts of such Secretaries from the governments of sub-Saharan African countries eligible under section 4, the Secretary General of the Organization of African Unity, and government officials from other appropriate countries in Africa, to discuss expanding trade and investment relations between the United States and sub-Saharan Africa and the implementation of this Act.

(2)(A) The President, in consultation with the Congress, shall encourage United States nongovernmental organizations to host annual meetings with nongovernmental organizations from sub-Saharan Africa in conjunction with the annual meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(B) The President, in consultation with the Congress, shall encourage United States representatives of the private sector to host annual meetings with representatives of the private sector from sub-Saharan Africa in conjunction with the annual meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(3) The President shall, to the extent practicable, meet with the heads of governments of sub-Saharan African countries eligible under section 4 not less than once every two years for the purpose of discussing the issues described in paragraph (1). The first such meeting should take place not later than twelve months after the date of the enactment of this Act.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 7. UNITED STATES–SUB-SAHARAN AFRICA FREE TRADE AREA.

(a) DECLARATION OF POLICY.—The Congress declares that a United States–Sub-Saharan Africa Free Trade Area should be established, or free trade agreements should be entered into, in order to serve as the catalyst for increasing trade between the United

States and sub-Saharan Africa and increasing private sector development in sub-Saharan Africa.

(b) PLAN REQUIREMENT.—

(1) IN GENERAL.—The President, taking into account the provisions of the treaty establishing the African Economic Community and the willingness of the governments of Sub-Saharan African countries to engage in negotiations to enter into free trade agreements, shall develop a plan for the purpose of entering into one or more trade agreements with sub-Saharan African countries eligible under section 4 in order to establish a United States–Sub-Saharan Africa Free Trade Area (hereafter in this section referred to as the ''Free Trade Area'').

(2) ELEMENTS OF PLAN.—The plan shall include the following:

(A) The specific objectives of the United States with respect to the establishment of the Free Trade Area and a suggested timetable for achieving those objectives.

(B) The benefits to both the United States and sub-Saharan Africa with respect to the Free Trade Area.

(C) A mutually agreed-upon timetable for establishing the Free Trade Area.

(D) The implications for and the role of regional and sub-regional organizations in sub-Saharan Africa with respect to the Free Trade Area.

(E) Subject matter anticipated to be covered by the agreement for establishing the Free Trade Area and United States laws, programs, and policies, as well as the laws of participating eligible African countries and existing bilateral and multilateral and economic cooperation and trade agreements, that may be affected by the agreement or agreements.

(F) Procedures to ensure the following:

(i) Adequate consultation with the Congress and the private sector during the negotiation of the agreement or agreements for establishing the Free Trade Area.

(ii) Consultation with the Congress regarding all matters relating to implementation of the agreement or agreements.

(iii) Approval by the Congress of the agreement or agreements.

(iv) Adequate consultations with the relevant African governments and African regional and subregional intergovernmental organizations during the negotiations of the agreement or agreements.

(c) REPORTING REQUIREMENT.—Not later than 12 months after the date of the enactment of this Act, the President shall prepare and transmit to the Congress a report containing the plan developed pursuant to subsection (b).

SEC. 8. ELIMINATING TRADE BARRIERS AND ENCOURAGING EXPORTS.

(a) FINDINGS.—The Congress makes the following findings:

(1) The lack of competitiveness of sub-Saharan Africa in the global market, especially in the manufacturing sector, make it a limited threat to market disruption and no threat to United States jobs.

(2) Annual textile and apparel exports to the United States from sub-Saharan Africa represent less than 1 percent of all textile and apparel exports to the United States, which totaled $45,932,000,000 in 1996.

(3) Sub-Saharan Africa has limited textile manufacturing capacity. During 1998 and the succeeding 4 years, this limited capacity to manufacture textiles and apparel is projected to grow at a modest rate. Given this limited capacity to export textiles and apparel, it will be very difficult for these exports from sub-Saharan Africa, during 1998 and the succeeding 9 years, to exceed 3 percent annually of total imports of textile and apparel to the United States. If these exports from sub-Saharan Africa remain around 3 percent of total imports, they will not represent a threat to United States workers, consumers, or manufacturers.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) it would be to the mutual benefit of the countries in sub-Saharan Africa and the United States to ensure that the commitments of the World Trade Organization and associated agreements are faithfully implemented in each of the member countries, so as to lay the groundwork for sustained growth in textile and apparel exports and trade under agreed rules and disciplines;

(2) reform of trade policies in sub-Saharan Africa with the objective of removing structural impediments to trade, consistent with obligations under the World Trade Organization, can assist the countries of the region in achieving greater and greater diversification of textile and apparel export commodities and products and export markets; and

(3) the President should support textile and apparel trade reform in sub-Saharan Africa by, among other measures, providing technical assistance, sharing of information to expand basic knowledge of how to trade with the United States, and encouraging business-to-business contacts with the region.

(c) TREATMENT OF QUOTAS.—

(1) KENYA AND MAURITIUS.—Pursuant to the Agreement on Textiles and Clothing, the United States shall eliminate the existing quotas on textile and apparel exports to the United States—

(A) from Kenya within 30 days after that country adopts a cost-effective and efficient visa system to guard against unlawful transshipment of textile and apparel goods; and

(B) from Mauritius within 30 days after that country adopts such a visa system.

The Customs Service shall provide the necessary assistance to Kenya and Mauritius in the development and implementation of those visa systems. The Customs Service shall monitor and the Commissioner of Customs shall submit to the Congress, not later than March 31 of each year, a report on the effectiveness of those visa systems during the preceding calendar year.

(2) OTHER SUB-SAHARAN COUNTRIES.—The President shall continue the existing no quota policy for countries in sub-Saharan Africa. The President shall submit to the Congress, not later than March 31 of each year, a report on the growth in textiles and apparel exports to the United States from countries in sub-Saharan Africa in order to protect United States consumers, workers, and textile manufacturers from economic injury on account of the no quota policy. The President should ensure that any country in sub-Saharan Africa that intends to export substantial textile and apparel goods to the United States has in place a functioning and efficient visa system to guard against unlawful transshipment of textile and apparel goods.

(d) DEFINITION.—For purposes of this section, the term ''Agreement on Textiles and Clothing'' means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

SEC. 9. GENERALIZED SYSTEM OF PREFERENCES.

(a) PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.—Section 503(a)(1) of the Trade Act of 1974 (19 U.S.C. 2463(a)) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and

(2) by inserting after subparagraph (B) the following:

''(C) ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—The President may provide duty-free treatment for any article set forth in paragraph (1) of subsection (b) that is the growth, product, or manufacture of an eligible country in sub-Saharan Africa that is a beneficiary developing country, if, after receiving the advice of the International Trade Commission in accordance with subsection (e), the President determines that such article is not import-sensitive in the context of imports from eligible countries in sub-Saharan Africa. This subparagraph shall not affect the designation of eligible articles under subparagraph (B).''.

(b) RULES OF ORIGIN.—Section 503(a)(2) of the Trade Act of 1974 (19 U.S.C. 2463(a)(2)) is amended by adding at the end the following:

''(C) ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—For purposes of determining the percentage referred to in subparagraph (A) in the case of an article of an eligible country in sub-Saharan Africa that is a beneficiary developing country—

''(i) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A); and

''(ii) the cost or value of the materials included with respect to that article that are produced in any beneficiary developing country that is an eligible country in sub-Saharan Africa shall be applied in determining such percentage.''.

(c) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

''(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES AND ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any eligible country in sub-Saharan Africa.''.

(c) EXTENSION OF PROGRAM.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended to read as follows:

''SEC. 505. DATE OF TERMINATION.

''(a) COUNTRIES IN SUB-SAHARAN AFRICA.—No duty-free treatment provided under this title shall remain in effect after May 31, 2007, with respect to beneficiary developing countries that are eligible countries in sub-Saharan Africa.

''(b) OTHER COUNTRIES.—No duty-free treatment provided under this title shall remain in effect after May 31, 1997, with respect to beneficiary developing countries other than those provided for in subsection (a).''.

(d) DEFINITION.—Section 507 of the Trade Act of 1974 (19 U.S.C. 2467) is amended by adding at the end the following:

''(6) ELIGIBLE COUNTRY IN SUB-SAHARAN AFRICA.—The terms 'eligible country in sub-Saharan Africa' and 'eligible countries in sub-Saharan Africa' means a country or countries that the President has determined to be eligible under section 4 of the African Growth and Opportunity Act.''.

SEC. 10. INTERNATIONAL FINANCIAL INSTITUTIONS AND DEBT REDUCTION.

(a) INTERNATIONAL FINANCIAL INSTITUTIONS.—(1) It is the sense of the Congress that international financial institutions and improved application of programs such as those of the International Development Association, the African Development Bank, the African Development Fund, and the Enhanced Structural Adjustment Facility of the International Monetary Fund are vital to achieving the purposes of this Act.

(2) The Congress supports the efforts of the executive branch to encourage international financial institutions to develop enhanced mechanisms for providing financing for

countries eligible under section 4, consistent with the purposes of this Act.

(b) DEBT REDUCTION.—(1) It is the sense of the Congress that the executive branch should extinguish concessional debt owed to the United States by the poorest countries in sub-Saharan Africa that are heavily indebted and pursuing bold growth-oriented policies, and that the executive branch should seek comparable action by other creditors of such countries.

(2) The Congress supports the efforts of the executive branch to secure agreement from international financial institutions on maximum debt reduction for sub-Saharan Africa as part of the multilateral initiative referred to as the Heavily Indebted Poor Countries (HIPC) initiative.

(c) EXECUTIVE BRANCH INITIATIVES.—The Congress supports and encourages the implementation of the following initiatives of the executive branch:

(1) AMERICAN-AFRICAN BUSINESS PARTNERSHIP.—The Agency for International Development devoting up to $1,000,000 annually to help catalyze relationships between United States firms and firms in sub-Saharan Africa through a variety of business associations and networks.

(2) TECHNICAL ASSISTANCE TO PROMOTE REFORMS.—The Agency for International Development providing up to $5,000,000 annually in short-term technical assistance programs to help the governments of sub-Saharan African countries to—

(A) liberalize trade and promote exports;

(B) bring their legal regimes into compliance with the standards of the World Trade Organization in conjunction with membership in that Organization; and

(C) make financial and fiscal reforms, as well as the United States Department of Agriculture providing support to promote greater agribusiness linkages.

(3) AGRICULTURAL MARKET LIBERALIZATION.—The Agency for International Development devoting up to $15,000,000 annually as part of the multi-year Africa Food Security Initiative to help address such critical agricultural policy issues as market liberalization, agricultural export development, and agribusiness investment in processing and transporting agricultural commodities.

(4) TRADE PROMOTION.—The Trade Development Agency increasing the number of reverse trade missions to growth-oriented countries in sub-Saharan Africa.

(5) TRADE IN SERVICES.—Efforts by United States embassies in the countries in sub-Saharan Africa to encourage their host governments—

(A) to participate in the ongoing negotiations on financial services in the World Trade Organization;

(B) to revise their existing schedules to the General Agreement on Trade in Services of the World Trade Organization in light of the successful conclusion of negotiations on basic telecommunications services; and

(C) to make further commitments in their schedules to the General Agreement on Trade in Services in order to encourage the removal of tariff and nontariff barriers and to foster competition in the services sector in those countries.

SEC. 11. SUB-SAHARAN AFRICA EQUITY AND INFRASTRUCTURE FUNDS.

(a) INITIATION OF FUNDS.—It is the sense of the Congress that the Overseas Private Investment Corporation should, within 12 months after the date of the enactment of this Act, exercise the authorities it has to initiate 2 or more equity funds in support of projects in the countries in sub-Saharan Africa.

(b) STRUCTURE AND TYPES OF FUNDS.—

(1) STRUCTURE.—Each fund initiated under subsection (a) should be structured as a partnership managed by professional private sector fund managers and monitored on a continuing basis by the Corporation.

(2) CAPITALIZATION.—Each fund should be capitalized with a combination of private equity capital, which is not guaranteed by the Corporation, and debt for which the Corporation provides guaranties.

(3) TYPES OF FUNDS.—

(A) EQUITY FUND FOR SUB-SAHARAN AFRICA.—One of the funds should be an equity fund, with assets of up to $150,000,000, the primary purpose of which is to achieve long-term capital appreciation through equity investments in support of projects in countries in sub-Saharan Africa.

(B) INFRASTRUCTURE FUND.—One or more of the funds, with combined assets of up to $500,000,000, should be used in support of infrastructure projects in countries of sub-Saharan Africa. The primary purpose of any such fund would be to achieve long-term capital appreciation through investing in financing for infrastructure projects in sub-Saharan Africa, including for the expansion of businesses in sub-Saharan Africa, restructurings, management buyouts and buyins, businesses with local ownership, and privatizations.

(4) EMPHASIS.—The Corporation shall ensure that the funds are used to provide support in particular to women entrepreneurs and to innovative investments that expand opportunities for women and maximize employment opportunities for poor individuals.

SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION AND EXPORT-IMPORT BANK INITIATIVES.

(a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—

(1) BOARD OF DIRECTORS TO INCLUDE MEMBER WITH PRIVATE SECTOR EXPERIENCE IN SUB-SAHARAN AFRICA.—Section 233(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2193(b)) is amended in the first paragraph by inserting after the fifth sentence the following: ''At least one of the eight Directors appointed under the fourth sentence shall have extensive private sector experience in sub-Saharan Africa.''.

(2) ADVISORY BOARD.—

(A) IN GENERAL.—Section 233 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

''(e) ADVISORY BOARD.—The Board shall take prompt measures to increase the loan, guarantee, and insurance programs, and financial commitments, of the Corporation in sub-Saharan Africa, including through the establishment and use of an advisory committee to assist the Board in developing and implementing policies, programs, and financial instruments designed to support the expansion of, and increase in, the provision of loans, guarantees, and insurance with respect to sub-Saharan Africa. In addition, the advisory board shall make recommendations to the Board on how the Corporation can facilitate greater support by the United States for trade and investment with and in sub-Saharan Africa.''.

(B) REPORTS TO THE CONGRESS.—Within 6 months after the date of the enactment of this Act, and annually for each of the 4 years thereafter, the Board of Directors of the Overseas Private Investment Corporation shall submit to the Congress a report on the steps that the Board has taken to implement section 233(e) of the Foreign Assistance Act of 1961 and any recommendations of the advisory board established pursuant to such section.

(b) EXPORT-IMPORT BANK.—

(1) BOARD OF DIRECTORS TO INCLUDE MEMBER WITH PRIVATE SECTOR EXPERIENCE IN SUB-SAHARAN AFRICA.—Section 3(c)(8)(B) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(c)(8)(B)) is amended by inserting '', and one such member shall be selected from among persons who have extensive private sector experience in sub-Saharan Africa'' before the period.

(2) ADVISORY BOARD.—

(A) IN GENERAL.—Section 3 of such Act (12 U.S.C. 635a) is amended by adding at the end the following:

''(f) The Board of Directors shall take prompt measures to increase the loan, guarantee, and insurance programs, and financial commitments, of the Bank in sub-Saharan Africa, including through the establishment and use of an advisory committee to assist the Board of Directors in developing and implementing policies, programs, and financial instruments designed to support the expansion of, and increase in, the provision of loans, guarantees, and insurance with respect to sub-Saharan Africa. In addition, the advisory board shall make recommendations to the Board of Directors on how the Bank can facilitate greater support by United States commercial banks for trade and investment with and in sub-Saharan Africa.''.

(B) REPORTS TO THE CONGRESS.—Within 6 months after the date of the enactment of this Act, and annually for each of the 4 years thereafter, the Board of Directors of the Export-Import Bank shall submit to the Congress a report on the steps that the Board has taken to implement section 3(f) of the Export-Import Bank Act of 1945 and any recommendations of the advisory board established pursuant to such section.

SEC. 13. ESTABLISHMENT OF ASSISTANT UNITED STATES TRADE REPRESENTATIVE FOR SUB-SAHARAN AFRICA.

(a) ESTABLISHMENT.—The President shall establish a position of Assistant United States Trade Representative within the Office of the United States Trade Representative to focus on trade issues relating to sub-Saharan Africa.

(b) FUNDING AND STAFF.—The President shall ensure that the Assistant United States Trade Representative appointed pursuant to paragraph (1) has adequate funding and staff to carry out the duties described in paragraph (1).

SEC. 14. REPORTING REQUIREMENT.

The President shall submit to the Congress, not later than 1 year after the date of the enactment of this Act, and not later than the end of each of the next 4 1-year periods thereafter, a report on the implementation of this Act.

SEC. 15. SUB-SAHARAN AFRICA DEFINED.

For purposes of this Act, the terms ''sub-Saharan Africa'', ''sub-Saharan African country'', ''country in sub-Saharan Africa'', and ''countries in sub-Saharan Africa'' refer to the following:

Republic of Angola (Angola)
Republic of Botswana (Botswana)
Republic of Burundi (Burundi)
Republic of Cape Verde (Cape Verde)
Republic of Chad (Chad)
Republic of the Congo (Congo)
Republic of Djibouti (Djibouti)
State of Eritrea (Eritrea)
Gabonese Republic (Gabon)
Republic of Ghana (Ghana)
Republic of Guinea-Bissau (Guinea-Bissau)
Kingdom of Lesotho (Lesotho)
Republic of Madagascar (Madagascar)
Republic of Mali (Mali)
Republic of Mauritius (Mauritius)
Republic of Namibia (Namibia)
Federal Republic of Nigeria (Nigeria)
Democratic Republic of Sao Tomé and Principe (Sao Tomé and Principe)
Republic of Sierra Leone (Sierra Leone)
Somalia
Kingdom of Swaziland (Swaziland)
Republic of Togo (Togo)
Republic of Zaire (Zaire)

Republic of Zimbabwe (Zimbabwe)
Republic of Benin (Benin)
Burkina Faso (Burkina)
Republic of Cameroon (Cameroon)
Central African Republic
Federal Islamic Republic of the Comoros (Comoros)
Republic of Côte d'Ivoire (Côte d'Ivoire)
Republic of Equatorial Guinea (Equatorial Guinea)
Ethiopia
Republic of the Gambia (Gambia)
Republic of Guinea (Guinea)
Republic of Kenya (Kenya)
Republic of Liberia (Liberia)
Republic of Malawi (Malawi)
Islamic Republic of Mauritania (Mauritania)
Republic of Mozambique (Mozambique)
Republic of Niger (Niger)
Republic of Rwanda (Rwanda)
Republic of Senegal (Senegal)
Republic of Seychelles (Seychelles)
Republic of South Africa (South Africa)
Republic of Sudan (Sudan)
United Republic of Tanzania (Tanzania)
Republic of Uganda (Uganda)
Republic of Zambia (Zambia)●

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. ROTH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 2, a bill to amend the Internal Revenue Code of 1986 to provide tax relief for American families, and for other purposes.

S. 50

At the request of Mr. FAIRCLOTH, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 50, a bill to amend the Internal Revenue Code of 1986 to provide a nonrefundable tax credit for the expenses of an education at a 2-year college.

S. 127

At the request of Mr. MOYNIHAN, the name of the Senator from Nebraska [Mr. HAGEL] was added as a cosponsor of S. 127, a bill to amend the Internal Revenue Code of 1986 to make permanent the exclusion for employer-provided educational assistance programs, and for other purposes.

S. 219

At the request of Mr. GRASSLEY, the name of the Senator from Kansas [Mr. BROWNBACK] was added as a cosponsor of S. 219, a bill to amend the Trade Act of 1974 to establish procedures for identifying countries that deny market access for value-added agricultural products of the United States.

S. 275

At the request of Mr. CHAFEE, the names of the Senator from California [Mrs. BOXER] and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of S. 275, a bill to amend the Internal Revenue Code of 1986 to provide for tax-exempt financing of private sector highway infrastructure construction.

S. 381

At the request of Mr. ROCKEFELLER, the name of the Senator from South Dakota [Mr. JOHNSON] was added as a cosponsor of S. 381, a bill to establish a demonstration project to study and provide coverage of routine patient care costs for medicare beneficiaries with cancer who are enrolled in an approved clinical trial program.

S. 419

At the request of Mr. BOND, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 419, a bill to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes.

S. 436

At the request of Mr. ROTH, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 436, a bill to amend the Internal Revenue Code of 1986 to provide for the establishment of an intercity passenger rail trust fund, and for other purposes.

S. 496

At the request of Mr. CHAFEE, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 496, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 498

At the request of Mr. CHAFEE, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 498, a bill to amend the Internal Revenue Code of 1986 to allow an employee to elect to receive taxable cash compensation on lieu of nontaxable parking benefits, and for other purposes.

S. 528

At the request of Mr. CAMPBELL, the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of S. 528, a bill to require the display of the POW/MIA flag on various occasions and in various locations.

S. 609

At the request of Mr. KENNEDY, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 609, a bill to amend the Public Health Service Act and Employee Retirement Income Security Act of 1974 to require that group and individual health insurance coverage and group health plans provide coverage for reconstructive breast surgery if they provide coverage for mastectomies.

S. 648

At the request of Mr. GORTON, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 648, a bill to establish legal standards and procedures for product liability litigation, and for other purposes.

S. 747

At the request of Mr. ROTH, the names of the Senator from Nebraska [Mr. HAGEL] and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 747, a bill to amend trade laws and related provisions to clarify the designation of normal trade relations.

S. 764

At the request of Mr. SPECTER, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 764, a bill to reauthorize the mass transit programs of the Federal Government.

S. 766

At the request of Ms. SNOWE, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 766, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 769

At the request of Mr. LAUTENBERG, the names of the Senator from South Dakota [Mr. DASCHLE] and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of S. 769, a bill to amend the provisions of the Emergency Planning and Community Right-To-Know Act of 1986 to expand the public's right to know about toxic chemical use and release, to promote pollution prevention, and for other purposes.

SENATE RESOLUTION 57

At the request of Mr. DORGAN, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from South Dakota [Mr. JOHNSON], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Arkansas [Mr. BUMPERS], and the Senator from Wyoming [Mr. THOMAS] were added as cosponsors of Senate Resolution 57, a resolution to support the commemoration of the bicentennial of the Lewis and Clark Expedition.

SENATE RESOLUTION 85

At the request of Mr. GREGG, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of Senate Resolution 85, a resolution expressing the sense of the Senate that individuals affected by breast cancer should not be alone in their fight against the disease.

SENATE RESOLUTION 88—RELATIVE TO THE JUMP$TART COALITION FOR PERSONAL LITERACY

Mr. D'AMATO submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs;

S. RES. 88

Whereas at a time when more consumers are using credit than ever before, the financial skills of young adults are not adequate to cope with the rapid, technologically driven development of new financial products and new ways to deliver those products;

Whereas lack of financial management skills is a major cause of rising consumer bankruptcies and family crises, and generally impairs the health and welfare of the general public;

Whereas it is critical that students and young adults develop functional skills in money management, including basic budgeting, savings, investing, spending, and income;

Whereas the Senate commends the Jump$tart Coalition for Personal Financial Literacy for its effort to promote personal financial literacy; and

Whereas the Senate supports the Coalition's objective of promoting education to ensure that basic personal management skills are attained during the kindergarten through 12th grade educational experience: Now, therefore, be it

Resolved, That it is the sense of the Senate that the goal of having young adults who can enter the mainstream of an increasingly complex financial world with confidence and prudence is one which can be advanced through coordinated efforts such as the Jump$tart Coalition for Personal Financial Literacy.

Mr. D'AMATO. Mr. President, I rise today to submit a sense-of-the-Senate resolution on a subject of profound importance for the youth of our Nation and the future economic well-being of our citizens and our country. It is a subject that every single adult in our country must deal with on a day-to-day basis and whose fortune depends on its successful application. And yet, no matter how vital this subject is, we often don't realize what scant energy and resources are devoted to mastering it. What is this subject that is woven throughout our lives, touching everyone but which is frequently ignored? Simply put, it is financial literacy; the ability to manage money.

Modern American life offers us a world of almost limitless financial possibilities. Marshalling all the knowledge and resources of the modern marketplace, people today are provided with a tremendous variety of choices about how to earn a living, invest for the future, and provide security for their families. The benefits of such financial diversity are obviously great, but only if coupled with the knowledge of how to apply basic economic reasoning. For all too many of our fellow citizens, this knowledge was never imparted to them in all their years of schooling.

The consequences of such financial ignorance are obvious and extremely costly, not only on a personal level, but also to the country's economy. Extraordinarily high consumer debt, bankruptcy, low savings rates, the inability of many to make sound and reasonable budgets and financial plans—these are the symptoms of a disease that sap our Nation's strength, Mr. President. A disease of financial ignorance and apathy. But fortunately one with a cure, if we just make the effort to teach our children the basic financial management skills we've always assumed that they had.

Our schools teach reading, writing, history, languages, mathematics, and science, among other subjects. But do we teach our children how to balance a checkbook? Do we instruct them on the beauty of compounding interest, which allows one to save vast amounts of money over the long term for an education, or retirement, or to buy a home? Do we instruct them in avoiding the credit card trap of easy financing, only to be hit later with high finance charges? Do we train students to understand how to budget their money, and do they realize the relationship of taxes, spending, and investing? Too often, Mr. President, we do not.

The resolution I place before the Senate today recognizes the danger to our Nation's continued economic vitality by its support of an innovative public-private partnership, called the Jump$tart Coalition for Personal Financial Literacy. Jump$tart's primary goal is to improve the financial literacy of our children from kindergarten through twelfth grade by strengthening curriculums across the country in their teaching of basic financial management skills, such as budgeting, saving, investing, and borrowing.

Additionally, Jump$tart puts into place mechanisms to survey high school seniors every other year to monitor the understanding of the students toward financial literacy. With the data provided by the surveys, we will be able to track the progress of schools as they improve their teaching of financial literacy.

Mr. President, the Jump$tart Coalition will also create a national data base to hold an annotated listing of information in personal finance education. I believe this will be an invaluable clearinghouse of knowledge, giving our teachers and school districts a wide range of teaching materials which they can choose from to suit their particular situation.

Recognizing how important financial literacy is to the future success of our country, an impressive roster of participating organizations has lined up in support of the Jump$tart Coalition. From the Federal Reserve, to the American Financial Services Association to the Consumer Bankers Association to institutions of higher learning, including one from my home State, the State University of New York (SUNY) at Oneonta; they know the keys to personal success lie with teaching kids financial smarts. The Wall Street Journal has signed on as well, utilizing their innovative Classroom Edition to reach out directly to students, offering instruction in money management.

Mr. President, on Thursday, May 22, the Jump$tart Coalition will announce the results of a national survey conducted to gage the financial literacy of today's high school seniors. Preliminary results highlight the urgent need for work in this area. The Jump$tart Coalition initiatives are voluntary, but through public awareness and access to curriculum information, I am confident we can make great strides in ending the ignorance. The children of today will be the economic decision makers of tomorrow; they need dollars and sense savvy to make the right decisions for themselves and their families, and with a little extra effort, we can teach them. The Jump$tart Coalition is a worthy effort at teaching our youth the money management skill necessary to prosper in the years to come, and should appeal to members from both sides of the aisle. I urge my colleagues to support this resolution.

SENATE RESOLUTION 89—RELATIVE TO THE COMMITTEE ON GOVERNMENTAL AFFAIRS FOR THE 105TH CONGRESS

Mr. LOTT submitted the following resolution; which was considered and agreed to:

S. RES. 89

Resolved, That notwithstanding the restrictions contained in Rule 25, the following shall be the majority party's membership on the Governmental Affairs committee for the 105th Congress, or until their successors are chosen:

Committee on Governmental Affairs: Mr. Thompson (Chair), Ms. Collins, Mr. Brownback, Mr. Domenici, Mr. Cochran, Mr. Nickles, Mr. Specter, Mr. Smith (NH), and Mr. Bennett.

AMENDMENTS SUBMITTED

CONCURRENT RESOLUTION ON THE BUDGET

HATCH (AND OTHERS) AMENDMENT NO. 297

Mr. HATCH (for himself, Mr. KENNEDY, and Mr. KERRY) proposed an amendment to the concurrent resolution (S. Con. Res. 27) setting forth the congressional budget for the United States Government for fiscal years 1998, 1999, 2000, 2001, and 2002; as follows:

On page 3, line 3, increase the amount by 6,000,000,000.

On page 3, line 4, increase the amount by 6,000,000,000.

On page 3, line 5, increase the amount by 6,000,000,000.

On page 3, line 6, increase the amount by 6,000,000,000.

On page 3, line 7, increase the amount by 6,000,000,000.

On page 3, line 11, increase the amount by 6,000,000,000.

On page 3, line 12, increase the amount by 6,000,000,000.

On page 3, line 13, increase the amount by 6,000,000,000.

On page 3, line 14, increase the amount by 6,000,000,000.

On page 3, line 15, increase the amount by 6,000,000,000.

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

On page 4, line 5, increase the amount by 3,000,000,000.

On page 4, line 6, increase the amount by 4,000,000,000.

On page 4, line 7, increase the amount by 5,000,000,000.

On page 4, line 8, increase the amount by 5,000,000,000.

On page 4, line 12, increase the amount by 3,000,000,000.

On page 4, line 13, increase the amount by 3,000,000,000.

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

On page 4, line 15, increase the amount by 5,000,000,000.

On page 4, line 16, increase the amount by 5,000,000,000.

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

On page 4, line 20, increase the amount by 3,000,000,000.

On page 4, line 21, increase the amount by 2,000,000,000.

On page 4, line 22, increase the amount by 1,000,000,000.

On page 4, line 23, increase the amount by 1,000,000,000.

On page 5, line 1, reduce the amount by 3,000,000,000.

On page 5, line 2, reduce the amount by 6,000,000,000.

On page 5, line 3, reduce the amount by 8,000,000,000.

On page 5, line 4, reduce the amount by 9,000,000,000.

On page 5, line 5, reduce the amount by 10,000,000,000.

On page 23, line 8, increase the amount by 3,000,000,000.

On page 23, line 9, increase the amount by 3,000,000,000.

On page 23, line 15, increase the amount by 3,000,000,000.

On page 23, line 16, increase the amount by 3,000,000,000.

On page 23, line 22, increase the amount by 4,000,000,000.

On page 23, line 23, increase the amount by 4,000,000,000.

On page 24, line 5, increase the amount by 5,000,000,000.

On page 24, line 6, increase the amount by 5,000,000,000.

On page 24, line 12, increase the amount by 5,000,000,000.

On page 24, line 13, increase the amount by 5,000,000,000.

On page 39, line 22, reduce the amount by 500,000,000.

On page 39, line 23, reduce the amount by 2,000,000,000.

On page 40, line 16, reduce the amount by 4,500,000,000.

On page 40, line 17, reduce the amount by 18,000,000,000.

On page 41, line 7, reduce the amount by 6,000,000,000.

On page 41, line 8, reduce the amount by 30,000,000,000.

FAIRCLOTH AMENDMENTS NOS. 298–300

(Ordered to lie on the table.)

Mr. FAIRCLOTH submitted three amendments intended to be proposed by him to an amendment submitted to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

AMENDMENT NO. 298

At the end of the matter proposed to be inserted, insert the following:

SEC. . SENSE OF THE SENATE CONCERNING THE REPEAL OF THE DAVIS-BACON ACT.

It is the sense of the Senate that the provisions of this resolution assume that the Davis-Bacon Act will be repealed in order to eliminate its wasteful rules and requirements, which the Congressional Research Service reported will save the federal highway aid program $721 million per year, and thus to maximize the value of the limited taxpayer dollars in the federal highway aid program.

AMENDMENT NO. 299

At the end of the matter proposed to be inserted, insert the following:

SEC. . SENSE OF THE SENATE CONCERNING THE USE OF TAXPAYER FUNDS TO SUBSIDIZE FEDERAL EMPLOYEE UNION ACTIVITIES RATHER THAN HEALTH INSURANCE FOR CHILDREN.

It is the sense of the Senate that, as tens of millions of taxpayer dollars are used to subsidize federal employee union activities, federal funds should not be used for these union subsidies and that such funds should be used for efforts to provide health insurance to uncovered children.

AMENDMENT NO. 300

At the end of the matter proposed to be inserted, insert the following:

SEC. . SENSE OF THE SENATE CONCERNING TAXPAYER SUBSIDIES OF FEDERAL EMPLOYEE UNIONS.

It is the sense of the Senate that the provisions of this resolution assume that monies from the social security and Medicare trust funds will not be used for expenditures for official time for employees of the Social Security Administration and the Department of Health and Human Services.

INHOFE AMENDMENT NO. 301

Mr. INHOFE proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place, add the following:

SEC. . BALANCED UNIFIED BUDGET AFTER 2001.

(a) IN GENERAL.—Except as provided in subsection (b), it shall not be in order in the Senate to consider any budget resolution or conference report on a budget resolution for fiscal year 2002 and any fiscal year thereafter (or amendment or motion on such a resolution or conference report) that would cause a unified budget deficit for the budget year or any of the 4 fiscal years following the budget year.

(b) EXCEPTION.—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.

(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.

HOLLINGS AMENDMENTS NOS. 302–306

Mr. HOLLINGS proposed five amendments to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

AMENDMENT NO. 302

At the appropriate place, insert the following:

SEC. . HIGHWAY TRUST FUND NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying this Budget resolution assume that the receipts and disbursements of the Highway Trust Fund—

(1) should not be included in the totals of—

(A) the Budget of the United States government as submitted by the President under section 1105 of title 31, United States Code; or

(B) the Congressional Budget (including allocations of budget authority and outlays provided in the Congressional Budget);

(2) should not be—

(A) considered to be part of any category (as defined in section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(4))) of discretionary appropriations; or

(B) subject to the discretionary spending limits established under section 251(b) of the Act (2 U.S.C. 901(b));

(3) should not be subject to sequestration under section 251(a) of the Act (2 U.S.C. 901(a)); and

(4) should be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States government.

AMENDMENT NO. 303

At the appropriate place, insert the following:

SEC. . AIRPORT AND AIRWAY TRUST FUND NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying the Budget resolution that the receipts and disbursements of the Airport and Airway Trust Fund—

(1) should not be included in the totals of—

(A) the Budget of the United States government as submitted by the President under section 1105 of title 31, United States Code; or

(B) the Congressional Budget (including allocations of budget authority and outlays provided in the Congressional Budget);

(2) should not be—

(A) considered to be part of any category (as defined in section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(4))) of discretionary appropriations; or

(B) subject to the discretionary spending limits established under section 251(b) of the Act (2 U.S.C. 901(b));

(3) should not be subject to sequestration under section 251(a) of the Act (2 U.S.C. 901(a)); and

(4) should be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States government.

AMENDMENT NO. 304

At the appropriate place, insert the following:

SEC. . MILITARY RETIREMENT TRUST FUNDS NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying this Budget resolution assume that the receipts and disbursements of the retirement and disability trust funds for members of the Armed Forces of the United States—

(1) should not be included in the totals of—

(A) the Budget of the United States government as submitted by the President under section 1105 of title 31, United States Code; or

(B) the Congressional Budget (including allocations of budget authority and outlays provided in the Congressional Budget);

(2) should not be—

(A) considered to be part of any category (as defined in section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(4))) of discretionary appropriations; or

(B) subject to the discretionary spending limits established under section 251(b) of the Act (2 U.S.C. 901(b));

(3) should not be subject to sequestration under section 251(a) of the Act (2 U.S.C. 901(a)); and

(4) should be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States government.

AMENDMENT NO. 305

At the appropriate place, insert the following:

SEC. . CIVIL SERVICE RETIREMENT TRUST FUNDS NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying this Budget resolution assume that the receipts and disbursements of the retirement and disability trust funds for civilian employees of the United States—

(1) should not be included in the totals of—

(A) the Budget of the United States government as submitted by the President under section 1105 of title 31, United States Code; or

(B) the Congressional Budget (including allocations of budget authority and outlays provided in the Congressional Budget);

(2) should not be—

(A) considered to be part of any category (as defined in section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(4))) of discretionary appropriations; or

(B) subject to the discretionary spending limits established under section 251(b) of the Act (2 U.S.C. 901(b));

(3) should not be subject to sequestration under section 251(a) of the Act (2 U.S.C. 901(a)); and

(4) should be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States government.

AMENDMENT NO. 306

At the appropriate place, insert the following:

SEC. . UNEMPLOYMENT COMPENSATION TRUST FUND NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying this Budget resolution assume that the receipts and disbursements of the Federal Unemployment Compensation Trust Fund—

(1) should not be included in the totals of—

(A) the Budget of the United States government as submitted by the President under section 1105 of title 31, United States Code; or

(B) the Congressional Budget (including allocations of budget authority and outlays provided in the Congressional Budget);

(2) should not be—

(A) considered to be part of any category (as defined in section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(4))) of discretionary appropriations; or

(B) subject to the discretionary spending limits established under section 251(b) of the Act (2 U.S.C. 901(b));

(3) should not be subject to sequestration under section 251(a) of the Act (2 U.S.C. 901(a)); and

(4) should be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States government.

DOMENICI AMENDMENT NO. 307

Mr. DOMENICI proposed an amendment to amendment No. 297 proposed by Mr. HATCH to the concurrent resolution. Senate Concurrent Resolution 27, supra; as follows:

On page 3, line 3, increase the amount by 0.
On page 3, line 4, increase the amount by 0.
On page 3, line 5, increase the amount by 0.
On page 3, line 6, increase the amount by 0.
On page 3, line 7, increase the amount by 0.
On page 3, line 11, increase the amount by 0.
On page 3, line 12, increase the amount by 0.
On page 3, line 13, increase the amount by 0.
On page 3, line 14, increase the amount by 0.
On page 3, line 15, increase the amount by 0.
On page 4, line 4, increase the amount by 0.
On page 4, line 5, increase the amount by 0.
On page 4, line 6, increase the amount by 0.
On page 4, line 7, increase the amount by 0.
On page 4, line 8, increase the amount by 0.
On page 4, line 12, increase the amount by 0.
On page 4, line 13, increase the amount by 0.
On page 4, line 14, increase the amount by 0.
On page 4, line 15, increase the amount by 0.
On page 4, line 16, increase the amount by 0.
On page 4, line 19, increase the amount by 0.
On page 4, line 20, increase the amount by 0.
On page 4, line 21, increase the amount by 0.
On page 4, line 22, increase the amount by 0.
On page 4, line 23, increase the amount by 0.
On page 5, line 1, increase the amount by 0.
On page 5, line 2, increase the amount by 0.
On page 5, line 3, increase the amount by 0.
On page 5, line 4, increase the amount by 0.
On page 5, line 5, increase the amount by 0.
On page 23, line 8, increase the amount by 0.
On page 23, line 9, increase the amount by 0.
On page 23, line 15, increase the amount by 0.
On page 23, line 16, increase the amount by 0.
On page 23, line 22, increase the amount by 0.
On page 23, line 23, increase the amount by 0.
On page 24, line 5, increase the amount by 0.
On page 24, line 6, increase the amount by 0.
On page 24, line 12, increase the amount by 0.
On page 24, line 13, increase the amount by 0.
On page 39, line 22, increase the amount by 0.
On page 39, line 23, increase the amount by 0.
On page 40, line 16, increase the amount by 0.
On page 40, line 17, increase the amount by 0.
On page 41, line 7, increase the amount by 0.
On page 41, line 8, increase the amount by 0.

KYL AMENDMENT NO. 308

(Ordered to lie on the table.)

Mr. KYL submitted an amendment intended to be proposed by him to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE ON ADDITIONAL TAX CUTS.

It is the sense of the Senate that nothing in this resolution shall be construed as prohibiting Congress from providing additional tax relief in fiscal year 1998 or future years if the cost of such tax relief is offset by reductions in discretionary or mandatory spending, or increases in revenue from alternative sources.

KERRY (AND OTHERS) AMENDMENT NO. 309

Mr. KERRY (for himself, Mr. ROCKEFELLER, Mr. KOHL, Ms. MOSELEY-BRAUN, Mr. WELLSTONE, Ms. MIKULSKI, and Mrs. MURRAY) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place, insert the following:

SEC. . DEFICIT-NEUTRAL RESERVE FUND IN THE SENATE.

(a) IN GENERAL.—In the Senate, revenue and spending aggregates may be changed and allocations may be revised for legislation that provides funding for early childhood development programs for children ages zero to six provided that the legislation which changes revenues or changes spending will not increase the deficit for—

(1) fiscal year 1998;

(2) the period of fiscal years 1998 through 2002; or

(3) the period of fiscal years 2002 through 2007.

(b) REVISED ALLOCATIONS.—

(1) ADJUSTMENTS FOR LEGISLATION.—Upon the consideration of legislation pursuant to subsection (a), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. These revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels and aggregates contained in this resolution.

(2) ADJUSTMENTS FOR AMENDMENTS.—If the chairman of the Committee on the Budget submits an adjustment under this section for legislation in furtherance of the purpose described in subsection (a) upon the offering of an amendment to that legislation that would necessitate such a submission, the chairman shall submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. These revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels and aggregates contained in this resolution.

(c) REPORTING REVISED ALLOCATIONS.—The appropriate committee shall report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this section.

DORGAN (AND OTHERS) AMENDMENT NO. 310

Mr. DORGAN (for himself, Mr. DASCHLE, Mr. HOLLINGS, Mr. FORD, and Mr. REID) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra, as follows:

At the appropriate place in the resolution, insert the following:

SEC. . SENSE OF THE SENATE ON SOCIAL SECURITY AND BALANCING THE BUDGET.

(a) FINDINGS.—The Senate finds that—

(1) This budget resolution is projected to balance the unified budget of the United States in fiscal year 2002;

(2) Section 13301 of the Budget Enforcement Act of 1990 requires that the deficit be computed without counting the annual surpluses of the Social Security trust funds; and

(3) If the deficit were calculated according to the requirements of Section 13301, this budget resolution would be projected to result in a deficit of $108.7 billion in fiscal year 2002.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying this budget resolution assume that after balancing the unified Federal budget, the Congress should continue efforts to reduce the on-budget deficit, so that the Federal budget will be balanced according to the requirements of Section 13301, without counting Social Security surpluses.

WARNER (AND BAUCUS) AMENDMENT NO. 311

Mr. WARNER (for himself and Mr. BAUCUS) proposed an amendment to the concurrent resolution, to the concurrent resolution, Senate Concurrent Resolution 27, supra, as follows:

At the end of the resolution, add the following new title:

TITLE IV—TRANSPORTATION REVENUES USED SOLELY FOR TRANSPORTATION

SEC. 401. READJUSTMENTS.

Levels of new budget authority and outlays set forth in function 400 in section 103 shall be increased as follows:

(1) for fiscal year 1998, by $0 in outlays and by $0 in new budget authority;

(2) for fiscal year 1999, by $770,000,000 in outlays and by $3,600,000,000 in new budget authority;

(3) for fiscal year 2000, by $2,575,000,000 in outlays and by $4,796,000,000 in new budget authority;

(4) for fiscal year 2001, by $3,765,000,000 in outlays and by $5,363,000,000 in new budget authority; and

(5) for fiscal year 2002, by $4,488,000,000 in outlays and by $5,619,000,000 in new budget authority.

SEC. 402. HIGHWAY TRUST FUND ALLOCATIONS.

(a) ALLOCATED AMOUNTS.—Of the amounts of outlays allocated to the Committees on Appropriations of the House and Senate by the joint explanatory statement accompanying this resolution pursuant to sections 302 and 602 of the Congressional Budget Act of 1974, the following amounts shall be used for contract authority spending out of the Highway Trust Fund—

(1) for fiscal year 1998, $22,256,000,000 in outlays;

(2) for fiscal year 1999, $24,063,000,000 in outlays;

(3) for fiscal year 2000, $26,092,000,000 in outlays;

(4) for fiscal year 2001, $27,400,000,000 in outlays; and

(5) for fiscal year 2002, $28,344,000,000 in outlays.

(b) ENFORCEMENT.—Determinations regarding points of order made under section 302(f) or 602(c) of the Congressional Budget Act of 1974 shall take into account subsection (a).

(c) STATUTORY IMPLEMENTATION.—As part of reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991, provisions shall be included to enact this section into permanent law.

KERREY (AND OTHERS) AMENDMENT NO. 312

Mr. KERREY (for himself, Mr. CHAFEE, Mr. ROBB, Mr. FRIST, Mr. BREAUX, Mr. ROTH, and Mr. BINGAMAN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place, add the following:

SEC. . SENSE OF THE SENATE SUPPORTING LONG-TERM ENTITLEMENT REFORMS.

(a) The senate finds that the resolution assumes the following—

(1) entitlement spending has risen dramatically over the last thirty-five years.

(2) in 1963, mandatory spending (i.e. entitlement spending and interest on the debt) made up 29.6 percent of the budget, this figure rose to 61.4 percent by 1993 and is expected to reach 70 percent shortly after the year 2000.

(3) this mandatory spending is crowding out spending for the traditional ''discretionary'' functions of government like clean air and water, a strong national defense, parks and recreation, education, our transportation system, law enforcement, research and development and other intrasructure spending.

(4) taking significant steps sooner rather than later to reform entitlement spending will not only boost economic growth in this country it will also prevent the need for drastic tax and spending decisions in the next century.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that that levels in this budget resolution assume that—

(1) Congress and the President should work to enact structural reforms in entitlement spending in 1997 and beyond which sufficiently restrain the growth of mandatory spending in order to keep the budget in balance over the long term, extended the solvency of the Social Security and Medicare Trust Funds, avoid crowding out funding for basic government functions and that every effort should be made to hold mandatory spending to no more than seventy percent of the budget.

WELLSTONE AMENDMENT NO. 313

Mr. WELLSTONE proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

On page 3, line 3, increase the amount by $1,650,000,000.

On page 3, line 4, increase the amount by $2,190,000,000.

On page 3, line 5, increase the amount by $3,116,000,000.

On page 3, line 6, increase the amount by $4,396,000,000.

On page 3, line 7, increase the amount by $5,012,000,000.

On page 3, line 11, increase the amount by $1,650,000,000.

On page 3, line 12, increase the amount by $2,190,000,000.

On page 3, line 13, increase the amount by $3,116,000,000.

On page 3, line 14, increase the amount by $4,396,000,000.

On page 3, line 15, increase the amount by $5,012,000,000.

On page 4, line 4, increase the amount by $5,400,000,000.

On page 4, line 5, increase the amount by $1,601,000,000.

On page 4, line 6, increase the amount by $2,539,000,000.

On page 4, line 7, increase the amount by $4,141,000,000.

On page 4, line 8, increase the amount by $6,543,000,000.

On page 4, line 12, increase the amount by $1,650,000,000.

On page 4, line 13, increase the amount by $2,190,000,000.

On page 4, line 14, increase the amount by $3,116,000,000.

On page 4, line 15, increase the amount by $4,396,000,000.

On page 4, line 16, increase the amount by $5,012,000,000.

On page 21, line 25, increase the amount by $1,101,000,000.

On page 22, line 1, increase the amount by $1,690,000,000.

On page 22, line 8, increase the amount by $2,039,000,000.

On page 22, line 9, increase the amount by $2,616,000,000.

On page 22, line 16, increase the amount by $3,541,000,000.

On page 22, line 17, increase the amount by $3,796,000,000.

On page 22, line 24, increase the amount by $5,843,000,000.

On page 22, line 25, increase the amount by $4,312,000,000.

On page 26, line 6, increase the amount by $400,000,000.

On page 26, line 7, increase the amount by $400,000,000.

On page 26, line 14, increase the amount by $500,000,000.

On page 26, line 15, increase the amount by $500,000,000.

On page 26, line 22, increase the amount by $500,000,000.

On page 26, line 23, increase the amount by $500,000,000.

On page 27, line 5, increase the amount by $600,000,000.

On page 27, line 6, increase the amount by $600,000,000.

On page 27, line 13, increase the amount by $700,000,000.

On page 27, line 14, increase the amount by $700,000,000.

On page 38, line 14, decrease the amount by $700,000,000.

On page 38, line 15, decrease the amount by $2,700,000,000.

On page 40, line 17, decrease the amount by $5,000,000,000.

On page 41, line 7, decrease the amount by $5,012,000,000.

On page 41, line 8, decrease the amount by $16,364,000,000.

On page 41, line 21, increase the amount by $1,101,000,000.

On page 43, line 22, increase the amount by $440,000,000.

On page 43, line 24, increase the amount by $2,039,000,000.

On page 43, line 25, increase the amount by $1,366,000,000.

On page 44, line 2, increase the amount by $3,541,000,000.

On page 44, line 3, increase the amount by $2,546,000,000.

On page 44, line 5, increase the amount by $5,843,000,000.

On page 44, line 6, increase the amount by $4,312,000,000.

WELLSTONE (AND OTHERS) AMENDMENT NO. 314

Mr. WELLSTONE (for himself, Mr. REED, and Mr. BINGAMAN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

On page 3, line 4, increase the amount by $1,600,000,000.

On page 3, line 5, increase the amount by $1,600,000,000.

On page 3, line 6, increase the amount by $1,600,000,000.

On page 3, line 7, increase the amount by $1,500,000,000.

On page 3, line 12, increase the amount by $1,600,000,000.
On page 3, line 13, increase the amount by $1,600,000,000.
On page 3, line 14, increase the amount by $1,600,000,000.
On page 3, line 15, increase the amount by $1,500,000,000.
On page 4, line 5, increase the amount by $1,600,000,000.
On page 4, line 6, increase the amount by $1,600,000,000.
On page 4, line 7, increase the amount by $1,500,000,000.
On page 4, line 8, increase the amount by $1,300,000,000.
On page 4, line 13, increase the amount by $1,600,000,000.
On page 4, line 14, increase the amount by $1,600,000,000.
On page 4, line 15, increase the amount by $1,600,000,000.
On page 4, line 16, increase the amount by $1,500,000,000.
On page 21, line 25, increase the amount by $1,600,000,000.
On page 22, line 1, increase the amount by $1,600,000,000.
On page 22, line 8, increase the amount by $1,600,000,000.
On page 22, line 9, increase the amount by $1,600,000,000.
On page 22, line 16, increase the amount by $1,500,000,000.
On page 22, line 17, increase the amount by $1,600,000,000.
On page 22, line 24, increase the amount by $1,300,000,000.
On page 22, line 25, increase the amount by $1,500,000,000.
On page 43, line 21, increase the amount by $1,600,000,000.
On page 43, line 22, increase the amount by $1,600,000,000.
On page 43, line 24, increase the amount by $1,600,000,000.
On page 43, line 25, increase the amount by $1,600,000,000.
On page 44, line 2, increase the amount by $1,500,000,000.
On page 44, line 3, increase the amount by $1,600,000,000.
On page 44, line 5, increase the amount by $1,300,000,000.
On page 44, line 6, increase the amount by $1,500,000,000.

MACK (AND OTHERS) AMENDMENT NO. 315

Mr. MACK (for himself, Mrs. FEINSTEIN, Mr. KENNEDY, Mr. FRIST, Mr. D'AMATO, Mr. DEWINE, Mrs. BOXER, Ms. COLLINS, Mr. DURBIN, Mr. REID, Mr. BREAUX, Mr. SPECTER, Mr. HARKIN, Mr. GORTON, Mrs. HUTCHISON, Mr. DOMENICI, Mr. THURMOND, Mr. DORGAN, and Mr. GRAMM) proposed an amendment to the concurrent resolution, supra; as follows

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE NATIONAL INSTITUTES OF HEALTH.

(a) FINDINGS.—Congress finds that—

(1) heart disease was the leading cause of death for both men and women in every year from 1970 to 1993;

(2) mortality rates for individuals suffering from prostate cancer, skin cancer, and kidney cancer continue to rise;

(3) the mortality rate for African American women suffering from diabetes is 134 percent higher than the mortality rate of Caucasian women suffering from diabetes;

(4) asthma rates for children increased 58 percent from 1982 to 1992;

(5) nearly half of all American women between the ages of 65 and 75 reported having arthritis;

(6) AIDS is the leading cause of death for Americans between the ages of 24 and 44;

(7) the Institute of Medicine has described United States clinical research to be ''in a state of crisis'' and the National Academy of Sciences concluded in 1994 that ''the present cohort of clinical investigators is not adequate'';

(8) biomedical research has been shown to be effective in saving lives and reducing health care expenditures;

(9) research sponsored by the National Institutes of Health has contributed significantly to the first overall reduction in cancer death rates since recordkeeping was instituted;

(10) research sponsored by the National Institutes of Health has resulted in the identification of genetic mutations for osteoporosis; Lou Gehrig's Disease, cystic fibrosis, and Huntington's Disease; breast, skin and prostate cancer; and a variety of other illnesses;

(11) research sponsored by the National Institutes of Health has been key to the development of Magnetic Resonance Imaging (MRI) and Positron Emission Tomography (PET) scanning technologies;

(12) research sponsored by the National Institutes of Health has developed effective treatments for Acute Lymphoblastic Leukemia (ALL). Today, 80 percent of children diagnosed with Acute Lymphoblastic Leukemia are alive and free of the disease after 5 years; and

(13) research sponsored by the National Institutes of Health contributed to the development of a new, cost-saving cure for peptic ulcers.

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

(1) appropriations for the National Institutes of Health should be increased by 100 percent over the next 5 fiscal years; and

(2) appropriations for the National Institutes of Health should be increased by $2,000,000,000 in fiscal year 1998 over the amount appropriated in fiscal year 1997.

ABRAHAM (AND OTHERS) AMENDMENT NO. 316

Mr. ABRAHAM (for himself, Mr. KYL, Mr. BROWNBACK, Mr. ASHCROFT, Mr. SESSIONS, and Mr. COVERDELL) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF SENATE ON ECONOMIC GROWTH DIVIDEND PROTECTION.

(a) FINDINGS.—

The Senate finds that with respect to the revenue levels established under this resolution.—

(A) According to the President's own economists, the tax burden on Americans is the highest ever at 31.7 percent;

(B) According to the National Taxpayer Union, the average American family now pays almost 40 percent of their income in state, local, and federal taxes;

(C) Between 1978 and 1985, while the top marginal rate in capital gains was cut almost in half—from 35 to 20 percent—total annual federal receipts from the tax almost tripled from $9.1 billion annually to $26.5 billion annually.

(D) Conversely, when Congress raised the rate in 1986, revenues actually fell well below what was anticipated.

(E) Economists across-the-board predict that cutting the capital gains rate will result in a revenue windfall for the Treasury; and

(F) While a USA Today poll from this March found 70 percent of the American people believe that they need a tax cut, under this resolution federal spending will grow 17 percent over five years while the net tax cuts are less than 1 percent of the total tax burden.

(b) SENSE OF SENATE.—

It is the Sense of the Senate that with respect to the revenue levels established under this resolution, to the extent that actual revenues exceed the revenues projected under this resolution due to higher than anticipated economic growth, that revenue windfall should be reserved exclusively for additional tax cuts and/or deficit reduction.

GRAMM AMENDMENTS NOS. 317–320

Mr. GRAMM proposed four amendments to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

AMENDMENT NO. 317

At the end of title III insert the following:

SEC. . SENSE OF THE SENATE ON DISASTER ASSISTANCE FUNDING.

(a) FINDINGS.—The Senate finds that—

(1) emergency spending adds to the deficit and total spending;

(2) the Budget Enforcement Act of 1990 exempts emergency spending from the discretionary spending caps and pay-go requirements;

(3) the Budget Enforcement Act of 1990 expires in 1998 and needs to be extended;

(4) since the enactment of the Budget Enforcement Act, Congress and the President have approved an average of $5.8 billion per year in emergency spending;

(5) a natural disaster in any particular State is unpredictable, but the United States is likely to experience a natural disaster almost every year.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals underlying this concurrent resolution on the budget assume that—

(1) the Congress should consider in the extension of the Budget Enforcement Act provisions that budget for emergencies or that require emergency spending to be offset;

(2) such provisions should also provide flexibility to meet emergency funding requirements associated with natural disasters;

(3) Congress and the President should appropriate at least $5 billion every year within discretionary limits to provide natural disaster relief;

(4) Congress and the President should not designate any emergency spending for natural disaster relief until amounts provided in regular appropriations are exhausted.

AMENDMENT NO. 318

On page 3, decrease the amount on line 2 by $2,800,000,000.
On page 3, decrease the amount on line 4 by $14,200,000,000.
On page 3, decrease the amount on line 5 by $22,000,000,000.
On page 3, decrease the amount on line 6 by $23,200,000,000.
On page 3, decrease the amount on line 7 by $14,800,000,000.
On page 3, decrease the amount on line 11 by $2,800,000,000.
On page 3, decrease the amount on line 12 by $14,200,000,000.
On page 3, decrease the amount on line 13 by $22,000,000,000.
On page 3, decrease the amount on line 14 by $23,200,000,000.

On page 3, decrease the amount on line 15 by $14,800,000,000.
On page 4, decrease the amount on line 4 by $10,400,000,000.
On page 4, decrease the amount on line 5 by $15,100,000,000.
On page 4, decrease the amount on line 6 by $16,800,000,000.
On page 4, decrease the amount on line 7 by $5,400,000,000.
On page 4, decrease the amount on line 8 by $3,700,000,000.
On page 4, decrease the amount on line 12 by $2,800,000,000.
On page 4, decrease the amount on line 13 by $14,200,000,000.
On page 4, decrease the amount on line 14 by $22,000,000,000.
On page 4, decrease the amount on line 15 by $23,200,000,000.
On page 4, decrease the amount on line 16 by $14,800,000,000.
On page 35, decrease the amount on line 9 by $10,400,000,000.
On page 35, decrease the amount on line 10 by $2,800,000,000.
On page 35, decrease the amount on line 15 by $15,100,000,000.
On page 35, decrease the amount on line 16 by $14,200,000,000.
On page 35, decrease the amount on line 21 by $16,800,000,000.
On page 35, decrease the amount on line 22 by $22,000,000,000.
On page 36, decrease the amount on line 2 by $5,400,000,000.
On page 36, decrease the amount on line 3 by $23,200,000,000.
On page 36, decrease the amount on line 8 by $3,700,000,000.
On page 36, decrease the amount on line 9 by $14,800,000,000.
On page 41, increase the amount on line 7 by $14,800,000,000.
On page 41, increase the amount on line 8 by $77,000,000,000.
On page 43, decrease the amount on line 14 by $10,400,000,000.
On page 43, decrease the amount on line 15 by $2,800,000,000.
On page 43, decrease the amount on line 21 by $15,100,000,000.
On page 43, decrease the amount on line 22 by $14,200,000,000.
On page 43, decrease the amount on line 24 by $16,800,000,000.
On page 43, decrease the amount on line 25 by $22,000,000,000.
On page 44, decrease the amount on line 2 by $5,400,000,000.
On page 44, decrease the amount on line 3 by $23,200,000,000.
On page 44, decrease the amount on line 5 by $3,700,000,000.
On page 44, decrease the amount on line 6 by $14,800,000,000.

AMENDMENT NO. 319

On page 45, strike line 10 through the period on line 18.

AMENDMENT NO. 320

On page 18, line 8, increase the amount by $6,931,000,000.
On page 18, line 9, increase the amount by $6,931,000,000.
On page 18, line 16, increase the amount by $7,052,000,000.
On page 18, line 17, increase the amount by $7,052,000,000.
On page 18, line 24, increase the amount by $7,171,000,000.
On page 18, line 25, increase the amount by $7,171,000,000.
On page 19, line 7, increase the amount by $7,292,000,000.
On page 19, line 8, increase the amount by $7,292,000,000.
On page 19, line 15, increase the amount by $7,414,000,000.
On page 19, line 16, increase the amount by $7,414,000,000.
On page 35, line 9, decrease the amount by $6,931,000,000.
On page 35, line 10, decrease the amount by $6,931,000,000.
On page 35, line 15, decrease the amount by $7,052,000,000.
On page 35, line 16, decrease the amount by $7,052,000,000.
On page 35, line 21, decrease the amount by $7,171,000,000
On page 35, line 22, decrease the amount by $7,171,000,000.
On page 36, line 2, decrease the amount by $7,292,000,000.
On page 36, line 3, decrease the amount by $7,292,000,000.
On page 36, line 8, decrease the amount by $7,414,000,000.
On page 36, line 9, decrease the amount by $7,414,000,000.
On page 43, line 14, decrease the amount by $6,931,000,000.
On page 43, line 21, decrease the amount by $7,052,000,000.
On page 43, line 24, decrease the amount by $7,171,000,000.
On page 44, line 2, decrease the amount by $7,292,000,000.
On page 44, line 5, decrease the amount by $7,414,000,000.

FAIRCLOTH AMENDMENT NO. 321

Mr. FAIRCLOTH proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE CONCERNING TAX CREDIT FOR WORKFORCE EDUCATION AND TRAINING AT VOCATIONAL SCHOOLS AND COMMUNITY COLLEGES.

It is the sense of the Senate that, any legislation enacted pursuant to this resolution, contain a tax credit for expenses of workforce education and training at vocational schools and community colleges.

ASHCROFT (AND OTHERS) AMENDMENT NO. 322

Mr. ASHCROFT (for himself, Mr. GRAMM, Mr. COVERDELL, Mr. ABRAHAM, Mr. HELMS, and Mr. FAIRCLOTH) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the end of title II, add the following:

SEC. . BALANCED BUDGET REQUIREMENT.

(a) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget (or amendment or motion thereto, or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would cause—

(1) total outlays for fiscal year 2002 or any fiscal year thereafter to exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress provide for a specific excess of outlays over receipts by a rollcall vote;

(2) an increase in the statutory limit on the level of the public debt in excess of the level set forth in section 101(5) of this resolution with respect to fiscal years 1998 through 2002, and for fiscal years after 2002 as set for fiscal year 2002 unless three-fifths of the whole number of each House provide for such an increase by a rollcall vote; or

(3) an increase in revenues unless approved by a majority of the whole number of each House by a rollcall vote.

(b) WAIVER.—The Congress may waive the provisions of this section for any fiscal year in which a declaration of war is in effect. The provisions of this section may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

(c) DEFINITION.—In this section:

(1) TOTAL RECEIPTS.—The term ''total receipts'' includes all receipts of the United States Government except those derived from borrowing.

(2) TOTAL OUTLAYS.—The term ''total outlays'' includes all outlays of the United States Government except for those for repayment of debt principal.

(3) INCREASE IN REVENUES.—The term ''increase in revenues'' means the levy of a new tax or an increase in the rate or base of any tax.

ASHCROFT AMENDMENT NO. 323

Mr. ASHCROFT proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

On page 45, strike line 2, and insert the following: ''exceed; or

''(3) any bill or resolution (or amendment, motion, or conference report on such bill or resolution) for fiscal year 1998, 1999, 2000, 2001, 2002 that would increase the statutory limit on the level of the public debt in excess of the level set forth in section 101(5) of this resolution with respect to fiscal years 1998 through 2002 and for fiscal years after 2002 as set for fiscal year 2002.''.

BOND (AND OTHERS) AMENDMENT NO. 324

Mr. BOND (for himself, Mrs. MURRAY, Mr. GORTON, and Mr. ASHCROFT) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE PROTECTION OF CHILDREN'S HEALTH.

(a) FINDINGS.—the Senate makes the following findings:

(1) Today's children and the next generation of children are the prime beneficiaries of a balanced Federal budget. Without a balanced budget, today's children will bear the increasing burden of the Federal debt. Continued deficit spending would doom future generations to slower economic growth, higher taxes, and lower living standards.

(2) The health of children is essential to the future economic and social well-being of the Nation.

(3) The medicaid program provides health coverage for over 17,000,000 children, or 1 out of every 4 children.

(4) While children represent ½ of all individuals eligible for medicaid, children account for less than 25 percent of expenditures under the medicaid program.

(5) Disproportionate share hospital (DSH) funding under the medicaid program has allowed States to expand health care coverage to thousands of uninsured pregnant women and children. DSH funding under the medicaid program is essential for current and future coverage of these uninsured populations.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that the health care needs of

low-income pregnant women and children should be a top priority. Careful study must be made of the impact of medicaid disproportionate share hospital (DSH) reform proposals on children's health and on vital sources of care, including children's hospitals. Any restrictions on DSH funding under the medicaid program should not devastate current State medicaid coverage of children and pregnant women, or hinder health care coverage expansion opportunities for these uninsured populations.

BOND (AND OTHERS) AMENDMENT NO. 325

Mr. BONDS (for himself, Mr. CHAFEE, Mr. ABRAHAM, Mr. REID, Mr. COCHRAN, Mr. GRAHAM, Mr. GREGG, and Mr. SESSIONS) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place in title III, insert the following:

SEC. . SENSE OF THE SENATE CONCERNING HIGHWAY TRUST FUND.

(A) FINDINGS.—The Senate finds that—

(1) there is no direct linkage between the fuel taxes deposited in the Highway Trust Fund and the transportation spending from the Highway Trust Fund;

(2) the Federal budget process has severed this linkage by dividing revenues and spending into separate budget categories with—

(A) fuel taxes deposited in the Highway Trust Fund as revenues; and

(B) most spending from the Highway Trust Fund in the discretionary category;

(3) each budget category referred to in paragraph (2) has its own rules and procedures; and

(4) under budget rules in effect prior to the date of adoption of this resolution, an increase in fuel taxes permits increased spending to be included in the budget, but not for increased Highway Trust Fund spending.

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

(1) in this session of Congress, Congress should, within a unified budget, change the Federal budget process to establish a linkage between the fuel taxes deposited in the Highway Trust Fund, including any fuel tax increases that may be enacted into law after the date of adoption of the resolution, and the spending from the Highway Trust Fund; and

(2) Changes to the budgetary treatment of the Highway Trust Fund should not result in total program levels for highways or mass transit that is inconsistent with those assumed under the resolution.

McCAIN (AND HOLLINGS) AMENDMENT NO. 326

Mr. McCAIN (for himself and Mr. HOLLINGS) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place in the resolution, insert the following:

"SEC. . SENSE OF THE SENATE.

(a) The Senate finds that:

(1) The electronmagnetic spectrum is the property of the American people and is managed on their behalf by the Federal Government;

(2) The spectrum is a highly valuable and limited natural resource;

(3) The auctioning of spectrum has raised billions of dollars for the Treasury;

(4) The estimates made regarding the value of spectrum in the past have proven unreliable, having previously understated and now overstating its worth;

(5) Because estimates of spectrum value depend on a number of technological, economic, market forces, and other variables that cannot be predicted or completely controlled, it is not possible to reliably estimate the value of a given segment of spectrum; therefore,

(b) It is the Sense of the Senate that as auctions occur as assumed by this Resolution, the Congress shall take such steps as necessary to reconcile the difference between actual revenues raised and estimates made and shall reduce spending accordingly if such auctions raise less revenue than projected.

McCAIN (AND MACK) AMENDMENT NO. 327

Mr. McCAIN (for himself and Mr. MACK) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place, insert the following:

SEC. . HIGHWAY DEMONSTRATION PROJECTS.

(a) FINDINGS.—The Senate finds that—

(1) 10 demonstration projects totaling $362 million were listed for special line-item funding in the Surface Transportation Assistance Act of 1982;

(2) 152 demonstration projects totaling $1.4 billion were named in the Surface Transportation and Uniform Relocation Assistance Act of 1987;

(3) 64 percent of the funding for the 152 projects had not been obligated after 5 years and State transportation officials determined the projects added little, if any, to meeting their transportation infrastructure priorities;

(4) 538 location specific projects totaling $6.23 billion were included in the Intermodal Surface Transportation Efficiency Act of 1991;

(5) more than $3.3 billion of the funds authorized for the 538 location specific-projects remained unobligated as of January 31, 1997;

(6) the General Accounting Office determined that 31 States plus the District of Columbia and Puerto Rico would have received more funding if the Intermodal Surface Transportation Efficiency Act location-specific project funds were redistributed as Federal-aid highway program apportionments;

(7) this type of project funding diverts Highway Trust Fund money away from State transportation priorities established under the formula allocation process and under the Intermodal Surface Transportation and Efficiency Act of 1991;

(8) on June 20, 1995, by a vote of 75 yeas to 21 nays, the Senate voted to prohibit the use of Federal Highway Trust Fund money for future demonstration projects;

(9) the Intermodal Surface Transportation and Efficiency Act of 1991 expires at the end of Fiscal Year 1997; and

(10) hundreds of funding requests for specific transportation projects in Congressional Districts have been submitted in the House of Representatives.

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

(1) notwithstanding different views on existing Highway Trust Fund distribution formulas, funding for demonstration projects or other similarly titled projects diverts Highway Trust Fund money away from State priorities and deprives States of the ability to adequately address their transportation needs;

(2) States are best able to determine the priorities for allocating Federal-Aid-To-Highway monies within their jurisdiction;

(3) Congress should not divert limited Highway Trust Fund resources away from State transportation priorities by authorizing new highway projects; and

(4) Congress should not authorize any new demonstration projects or other similarly-titled projects.

McCAIN AMENDMENT NO. 328

Mr. McCAIN proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING AMTRAK.

It is the sense of the Senate that any revenues generated to finance an intercity passenger rail fund under section 207 of this resolution shall not be appropriated to the National Rail Passenger Corporation until such time as legislation has been signed into law to reauthorize and reform the National Rail Passenger Corporation.

BROWNBACK (AND KOHL) AMENDMENT NO. 329

Mr. BROWNBACK (for himself and Mr. KOHL) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

AT the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE ON ENFORCEMENT OF BIPARTISAN BUDGET AGREEMENT.

(a) FINDINGS.—The Senate finds that—

(1) the bipartisan budget agreement is contingent upon—

(A) favorable economic conditions for the next 5 years; and

(B) accurate estimates of the fiscal impacts of assumptions in this resolution; and

(C) enactment of legislation to reduce the deficit.

(2) if either of the conditions in paragraph (1) are not met, our ability to achieve a balanced budget by 2002 will be jeopardized.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals and limits in this resolution assume that—

(1) Reconciliation legislation should include legislation to enforce the targets set forth in the budget process description included in the agreement and to ensure the balanced budget goal is met; and

(2) such legislation shall—

(B) establish procedures to ensure those targets are met every year,

(C) require that the President's annual budget and annual Congressional concurrent resolutions on the budget comply with those targets every year;

(D) consider provisions which provide that if the deficit is below or the surplus is above the deficits projected in the agreement in any year, such savings are locked in for deficit and debt reduction; and

(E) consider provisions which include a provision to budget for and control emergency spending in order to prevent the use of emergencies to evade the budget targets.

BUMPERS AMENDMENTS NOS. 330–332

Mr. BUMPERS proposed three amendments to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

AMENDMENT NO. 330

Change the figure on line 11 of page 3 to zero.

Change the figure on line 12 of page 3 to zero.

Change the figure on line 13 of page 3 to zero.

Change the figure on line 14 of page 3 to zero.

Strike lines 7–9 on page 41 and insert in lieu thereof the following: ''reduce revenues by not more than $20,500,000,000 in fiscal year 2002 and $20,500,000,000 for the period of fiscal years 1998 through 2002.''

AMENDMENT NO. 331

Strike lines 7–9 on page 41 and insert in lieu thereof the following: ''Raise revenues by $19,500,000,000 in fiscal year 2002 and $30,000,000,000 for the period of fiscal years 1998 through 2002.''

AMENDMENT NO. 332

Add the following new section at the appropriate place in the Resolution:

SEC. . SENSE OF THE SENATE OPPOSING THE ENACTMENT OF RECONCILIATION LEGISLATION WHICH ADDS TO THE FEDERAL DEFICIT.

(a) FINDINGS.—The Congress finds that—

(1) The Congressional Budget Act allows for a point of order to be raised against a Budget Reconciliation Bill or a particular Title of a Budget Reconciliation Bill if the Bill or Title would increase the deficit during a fiscal year covered by the Bill;

(2) The Congressional Budget Act allows for a point of order to be raised against a Budget Reconciliation Bill or a particular Title of a Budget Reconciliation Bill if the Bill or Title would increase the deficit during a fiscal year the year covered by the Bill; and

(3) The purpose of the Budget Reconciliation process is to enact legislation to reduce the Federal budget deficit.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Senate should not enact Budget Reconciliation legislation which increases the Federal Budget deficit either during any fiscal year covered by the Reconciliation legislation or any fiscal year thereafter.

MOSELEY-BRAUN AMENDMENTS NOS. 333–334

Ms. MOSELEY-BRAUN proposed two amendments to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

AMENDMENT NO. 333

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE USE OF BUDGET SAVINGS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Poverty rates among the elderly are at the lowest level since our Nation began to keep poverty statistics, due in large part to the social security system and the medicare program.

(2) Twenty-two percent of every dollar spent by the Federal Government goes to the social security system.

(3) Eleven percent of every dollar spent by the Federal Government goes to the medicare program.

(4) Currently, spending on the elderly accounts for ⅓ of the Federal budget and more than ½ of all domestic spending other than interest on the national debt.

(5) Future generations of Americans must be guaranteed the same value from the social security system as past covered recipients.

(6) According to the 1997 report of the Managing Trustee for the social security trust funds, the accumulated balance in the Federal Old-Age and Survivors Insurance Trust Fund is estimated to fall to zero by 2029, and the estimated payroll tax at that time will be sufficient to cover only 75 percent of the benefits owed to retirees at that time.

(7) The accumulated balance in the Federal Hospital Insurance Trust Fund is estimated to fall to zero by 2001.

(8) While the Federal budget deficit has shrunk for the fourth straight year to $67,000,000,000 in 1997, measures need to be taken to ensure that that trend continues.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that budget savings in the mandatory spending area should be used—

(1) to protect and enhance the retirement security of the American people by ensuring the long-term future of the social security system;

(2) to protect and enhance the health care security of senior citizens by ensuring the long-term future of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.); and

(3) to restore and maintain Federal budget discipline to ensure that the level of private investment necessary for long-term economic growth and prosperity is available.

AMENDMENT NO. 334

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE VALUE OF THE SOCIAL SECURITY SYSTEM FOR FUTURE RETIREES.

(a) FINDINGS.—The Senate makes the following findings:

(1) The social security system has allowed a generation of Americans to retire with dignity. Today, 13 percent of the population is 65 or older and by 2030, 20 percent of the population will be 65 or older. More than ½ of the elderly do not receive private pensions and more than ⅓ have no income from assets.

(2) For 60 percent of all senior citizens, social security benefits provide almost 80 percent of their retirement income. For 80 percent of all senior citizens, social security benefits provide over 50 percent of their retirement income.

(3) Poverty rates among the elderly are at the lowest level since the United States began to keep poverty statistics, due in large part to the social security system.

(4) Seventy-eight percent of Americans pay more in payroll taxes than they do in income taxes.

(5) According to the 1997 report of the Managing Trustee for the social security trust funds, the accumulated balance in the Federal Old-Age and Survivors Insurance Trust Fund is estimated to fall to zero by 2029, and the estimated payroll tax at that time will be sufficient to cover only 75 percent of the benefits owed to retirees at that time.

(6) The average American retiring in the year 2015 will pay $250,000 in payroll taxes over the course of his or her working career.

(7) Future generations of Americans must be guaranteed the same value from the social security system as past covered recipients.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that no change in the social security system should be made that would reduce the value of the social security system for future generations of retirees.

DODD AMENDMENT NO. 335

Mr. LAUTENBERG (for Mr. DODD) proposed an amendment to the concurrent resolution Senate Concurrent Resolution 27, supra; as follows:

On page 41, line 9 strike the period and add, ''and $250,000,000,000 for the period of fiscal years 1998 through 2007''.

MOSELEY-BRAUN (AND OTHERS) AMENDMENT NO. 336

Ms. MOSELEY-BRAUN (for herself, Mr. HARKIN, Mr. KENNEDY, Mr. WELLSTONE, Mr. BINGAMAN, Mr. TORRICELLI, Mrs. MURRAY, Mr. JOHNSON, Mr. GRAHAM, Mr. GLENN, Mr. DORGAN, Mr. KERRY, Mr. REED, Mr. MOYNIHAN, Mr. KERREY, Mr. DODD, Mr. CONRAD, and Ms. MIKULSKI) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

On page 3, line 3, increase the amount by $1,250,000,000.

On page 3, line 4, increase the amount by $1,250,000,000.

On page 3, line 5, increase the amount by $1,250,000,000.

On page 3, line 6, increase the amount by $1,250,000,000.

On page 3, line 11, increase the amount by $1,250,000,000.

On page 3, line 12, increase the amount by $1,250,000,000.

On page 3, line 13, increase the amount by $1,250,000,000.

On page 3, line 14, increase the amount by $1,250,000,000.

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

On page 4, line 12, increase the amount by $1,250,000,000.

On page 4, line 13, increase the amount by $1,250,000,000.

On page 4, line 14, increase the amount by $1,250,000,000.

On page 4, line 15, increase the amount by $1,250,000,000.

On page 21, line 17, increase the amount by $5,000,000,000.

On page 21, line 18, increase the amount by $1,250,000,000.

On page 22, line 1, increase the amount by $1,250,000,000.

On page 22, line 9, increase the amount by $1,250,000,000.

On page 22, line 17, increase the amount by $1,250,000,000.

On page 40, line 17, reduce the amount by $5,000,000,000.

On page 41, line 8, reduce the amount by $5,000,000,000.

JEFFORDS (AND COATS) AMENDMENT NO. 337

Mr. JEFFORDS (for himself and Mr. COATS) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

Strike the reconciliation instruction for the Committee on Labor and Human Resources.

Adjust the reconciliation instructions for the Committee on Finance to reflect an increase in revenues of $1,057,000,000 for fiscal year 2002 and $1,792,000,000 for the period of fiscal years 1998 through 2002.

SPECTER AMENDMENTS NOS. 338–340

Mr. SPECTER proposed three amendments to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

AMENDMENT NO. 338

On page 39, line 22, increase the amount by $3,600,000,000.

On page 39, line 23, increase the amount by $10,000,000,000.

On page 43, line 14, increase the amount by $300,000,000.

On page 43, line 15, increase the amount by $300,000,000.

On page 43, line 21, increase the amount by $1,400,000,000.

On page 43, line 22, increase the amount by $1,400,000,000.

On page 43, line 24, increase the amount by $2,000,000,000.

On page 43, line 25, increase the amount by $2,000,000,000.

On page 44, line 2, increase the amount by $2,700,000,000.

On page 44, line 3, increase the amount by $2,700,000,000.

On page 44, line 5, increase the amount by $3,600,000,000.

On page 44, line 6, increase the amount by $3,600,000,000.

At the end of the resolution add the following new section:

SEC. . INCREASE IN DISCRETIONARY SPENDING ON CHILDREN'S HEALTH.

(a) REDUCTION IN MANDATORY SPENDING.—It is the sense that, with respect that the mandatory spending levels provided for in this resolution, for children's health care funding should be reduced by $10,000,000,000 for fiscal years 1998, 1999, 2000, 2001, and 2002 and discretionary spending for such fiscal years should be increased by $10,000,000,000.

AMENDMENT NO. 339

At the end of the resolution add the following new section:

SEC. . INCREASE IN DISCRETIONARY SPENDING ON CHILDREN'S HEALTH.

(a) REDUCTION IN MANDATORY SPENDING.—Mandatory spending provided for in this resolution for children's health care shall be reduced by $10,000,000,000 for fiscal years 1998, 1999, 2000, 2001, and 2002 and discretionary spending for such fiscal years shall be increased by $10,000,000,000.

(b) DISCRETIONARY BUDGET AUTHORITY AND OUTLAYS.—With respect to the discretionary spending limits in section 201(a)—

(1) the nondefense discretionary limits for fiscal year 1998 for new budget authority and outlays shall each be increased by $300,000,000;

(2) the nondefense discretionary limits for fiscal year 1999 for new budget authority and outlays shall each be increased by $1,400,000,000;

(3) the discretionary category for fiscal year 2000 for new budget authority and outlays shall each be increased by $2,000,000,000;

(4) the discretionary category for fiscal year 2001 for new budget authority and outlays shall each be increased by $2,700,000,000; and

(5) the discretionary category for fiscal year 2002 for new budget authority and outlays shall each be increased by $3,600,000,000.

(c) RECONCILIATION.—With respect to the recommendations of the Committee on Finance under section 104(a)(5)(A)—

(1) the amount relating to reductions in outlays for fiscal year 2002 shall be increased by $3,600,000,000; and

(2) the amount relating to reductions in outlays for the period of fiscal years 1998 through 2002 shall be increased by $10,000,000,000.

AMENDMENT NO. 340

On page 23, line 8, increase the amount by $1,100,000,000.

On page 23, line 9, increase the amount by $1,100,000,000.

On page 35, line 9, decrease the amount by $1,100,000,000.

On page 35, line 10, decrease the amount by $1,100,000,000.

FEINSTEIN (AND OTHERS) AMENDMENT NO. 341

Mr. DOMENICI (for Mrs. FEINSTEIN, for herself, Mr. DOMENICI, Mr. CHAFEE, Mr. LAUTENBERG, Mrs. BOXER, Mr. D'AMATO, Mr. DEWINE, and Mr. KENNEDY) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING CERTAIN ELDERLY LEGAL ALIENS.

It is the sense of the Senate that the provisions of this resolution assume that:

(1) the Committee on Finance will include in its recommendations to the Committee on the Budget of the Senate changes in laws within the jurisdiction of the Committee on Finance that allow certain elderly, legal immigrants who will cease to receive benefits under the supplemental security income program as a result of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193: 110 stat. 2105) to continue to receive benefits during a redetermination or reapplication period to determine if such aliens would qualify for such benefits on the basis of being disabled.

(2) the Committee on Finance in developing these recommendations should offset the additional cost of this proposal out of other programs within the jurisdiction of Committee on Finance.

COVERDELL AMENDMENT NO. 342

Mr. DOMENICI (for Mr. COVERDELL) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the end of the bill, add the following:

SEC. . SENSE OF THE SENATE REGARDING RETROACTIVE TAXES.

(a) FINDINGS.—The Senate finds that—

(1) in general, the practice of increasing a tax retroactively is fundamentally unfair to taxpayers;

(2) retroactive taxation is disruptive to families and small business in their ability to plan and budget;

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this budget resolution assume that—

(1) except for closing tax loopholes, no revenues should be generated from any retroactively increased tax; and

(2) the Congress and the President should work together to ensure that any revenue generating proposal contained within reconciliation legislation pursuant to this concurrent resolution proposal, except those proposals closing tax loopholes, should take effect prospectively.

DORGAN (AND OTHERS) AMENDMENT NO. 343

Mr. DOMENICI (for Mr. DORGAN, for himself, Mr. DASCHLE, and Mr. HOLLINGS) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place in the resolution, insert the following:

SEC. . SENSE OF THE SENATE ON SOCIAL SECURITY AND BALANCING THE BUDGET.

(a) FINDINGS.—The Senate finds that—

(1) This budget resolution is projected to balance the unified budget of the United States in fiscal year 2002;

(2) Section 13301 of the Budget Enforcement Act of 1990 requires that the deficit be computed without counting the annual surpluses of the Social Security trust funds; and

(3) If the deficit were calculated according to the requirements of Section 13301, this budget resolution would be projected to result in a deficit of $108.7 billion in fiscal year 2002.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying this budget resolution assume that after balancing the unified federal budget, the Congress should continue efforts to reduce the on-budget deficit, so that the federal budget will be balanced without counting Social Security surpluses.

DASCHLE AMENDMENT NO. 344

Mr. DOMENICI (for Mr. DASCHLE) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

Insert at the appropriate place the following new section:

SEC. . SENSE OF THE SENATE SUPPORTING SUFFICIENT FUNDING FOR VETERANS.

(a) FINDINGS.—The Senate finds that—

(1) veterans and their families represent approximately 27 percent of the United States population;

(2) more than 20 million of our 26 million living veterans served during wartime, sacrificing their freedom so that we may have ours; and

(3) veterans have earned the benefits promised to them.

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

(1) the assumptions underlying this Budget Resolution assume that the 602(b) allocation to the Department of Veterans Affairs will be sufficient in FY98 to fully fund all discretionary veterans programs, including medical care; and

(2) funds collected from legislation to improve the Department of Veterans Affairs' ability to collect and retain reimbursement from third-party payers ought to be used to supplement, not supplant, an adequate appropriation for medical care.

MURRAY AMENDMENT NO. 345

Mr. DOMENICI (for Mrs. MURRAY, for herself and Mr. WELLSTONE) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF CONGRESS ON FAMILY VIOLENCE OPTION CLARIFYING AMENDMENT.

(a) FINDINGS.—Congress finds the following:

(1) Domestic violence is the leading cause of physical injury to women. The Department of Justice estimates that over 1,000,000 violent crimes against women are committed by intimate partners annually.

(2) Domestic violence dramatically affects the victim's ability to participate in the workforce. A University of Minnesota survey reported that one-fourth of battered women surveyed had lost a job partly because of being abused and that over one-half of these women had been harassed by their abuser at work.

(3) Domestic violence is often intensified as women seek to gain economic independence through attending school or training programs. Batterers have been reported to prevent women from attending these programs or sabotage their efforts at self-improvement.

(4) Nationwide surveys of service providers prepared by the Taylor Institute of Chicago, Illinois, document, for the first time, the interrelationship between domestic violence and welfare by showing that from 34 percent to 65 percent of AFDC recipients are current or past victims of domestic violence.

(5) Over one-half of the women surveyed stayed with their batterers because they lacked the resources to support themselves and their children. The surveys also found that the availability of economic support is a critical factor in poor women's ability to leave abusive situations that threaten them and their children.

(6) The restructuring of the welfare programs may impact the availability of the economic support and the safety net necessary to enable poor women to flee abuse without risking homelessness and starvation for their families.

(7) In recognition of this finding, the Committee on the Budget of the Senate in considering the 1997 Resolution on the budget of the United States unanimously adopted a sense of the Congress amendment concerning domestic violence and Federal assistance. Subsequently, Congress adopted the family violence option amendment as part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(8) The family violence option gives States the flexibility to grant temporary waivers from time limits and work requirements for domestic violence victims who would suffer extreme hardship from the application of these provisions. These waivers were not intended to be included as part of the permanent 20 percent hardship exemption.

(9) The Department of Health and Human Services has been slow to issue regulations regarding this provision. As a result, States are hesitant to fully implement the family violence option fearing that it will interfere with the 20 percent hardship exemption.

(10) Currently 15 States have opted to include the family violence option in their welfare plans, and 13 other States have included some type of domestic violence provisions in their plans.

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that the provisions of this Resolution assume that—

(1) States should not be subject to any numerical limits in granting domestic violence good cause waivers under section 402(a)(7)(A)(iii) of the Social Security Act (42 U.S.C. 602(a)(7)(A)(iii)) to individuals receiving assistance, for all requirements where compliance with such requirements would make it more difficult for individuals receiving assistance to escape domestic violence; and

(2) any individual who is granted a domestic violence good cause waiver by a State shall not be included in the States' 20 percent hardship exemption under section 408(a)(7) of the Social Security Act (42 U.S.C. 608(a)(7)).

GRAMS AMENDMENT NO. 346

Mr. DOMENICI (for Mr. GRAMS) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

On page 3, line 3, decrease the amount by $22.5 billion.

On page 3, line 4, decrease the amount by $22.5 billion.

On page 3, line 5, decrease the amount by $22.5 billion.

On page 3, line 6, decrease the amount by $22.5 billion.

On page 3, line 7, decrease the amount by $22.5 billion.

On page 3, line 11, increase the amount by $22.5 billion.

On page 3, line 12, increase the amount by $22.5 billion.

On page 3, line 13, increase the amount by $22.5 billion.

On page 3, line 14, increase the amount by $22.5 billion.

On page 3, line 15, increase the amount by $22.5 billion.

On page 4, line 4, decrease the amount by $13.7 billion.

On page 4, line 5, decrease the amount by $23.4 billion.

On page 4, line 6, decrease the amount by $33.2 billion.

On page 4, line 7, decrease the amount by $42.9 billion.

On page 4, line 8, decrease the amount by $52.7 billion.

On page 4, line 12, decrease the amount by $6.3 billion.

On page 4, line 13, decrease the amount by $16.9 billion.

On page 4, line 14, decrease the amount by $26.7 billion.

On page 4, line 15, decrease the amount by $36.6 billion.

On page 4, line 16, decrease the amount by $46.8 billion.

On page 4, line 19, decrease the amount by $22.5 billion.

On page 4, line 20, decrease the amount by $22.5 billion.

On page 4, line 21, decrease the amount by $22.5 billion.

On page 4, line 22, decrease the amount by $22.5 billion.

On page 4, line 23, decrease the amount by $22.5 billion.

On page 35, line 9, decrease the amount by $13.7 billion.

On page 35, line 10, decrease the amount by $6.3 billion.

On page 35, line 15, decrease the amount by $23.4 billion.

On page 35, line 16, decrease the amount by $16.9 billion.

On page 35, line 21, decrease the amount by $33.2 billion.

On page 35, line 22, decrease the amount by $26.7 billion.

On page 36, line 2, decrease the amount by $42.9 billion.

On page 36, line 3, decrease the amount by $36.6 billion.

On page 36, line 8, decrease the amount by $52.7 billion.

On page 36, line 9, decrease the amount by $46.8 billion.

COVERDELL AMENDMENT NO. 347

Mr. DOMENICI (for Mr. COVERDELL) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the end of title II, add the following:

SEC. . SENSE OF CONGRESS REGARDING PARENTAL INVOLVEMENT IN PREVENTION OF DRUG USE BY CHILDREN.

(a) FINDINGS.—Congress makes the following findings:

(1) 2,000,000 more children are using drugs in 1997 than were doing so in 1993. For the first time in the 1990s, over half of our Nation's graduating high school seniors have experimented with drugs and approximately 1 out of every 4 of the students have used drugs in the past month.

(2) After 11 years of declining marijuana use among children aged 12 to 17, such use doubled between 1992 and 1995. The number of 8th graders who have used marijuana in the past month has more than tripled since 1991.

(3) More of our Nation's school children are becoming involved with hard core drugs at earlier ages, as use of heroin and cocaine by 8th graders has more than doubled since 1991.

(4) Substance abuse is at the core of other problems, such as rising violent teenage and violent gang crime, increasing health care costs, HIV infections, teenage pregnancy, high school dropouts, and lower economic productivity.

(5) Increases in substance abuse among youth are due in large part to an erosion of understanding by youth of the high risks associated with substance abuse, and to the softening of peer norms against use.

(6) Nearly 1 in every 10 students who received a diploma last June is a daily user of illicit drugs.

(7) A 1995–96 school year survey of drug usage by students revealed that 25 percent of children using drugs are doing so at home or at the home of a friend. Despite these alarming statistics, less than 30 percent of students stated that their parents talked to them about the problem of alcohol and drugs.

(8) In the 1990–91 school year survey, over 40 percent of the students reported that their parent regularly talked to them about drugs. The 1995–96 survey reported an 11 percent decrease in parental involvement and a corresponding 10 percent increase in the number of students in the 6th through 8th grades who use drugs, and a 17 percent increase in the number of students in the 9th through 12th grades who use drugs.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the provisions of this resolution assume that, from resources available in this budget resolution, a portion should be set aside for a national grassroots volunteer effort to encourage parental education and involvement in youth drug prevention and to create a drug-intolerant culture for our children.

KYL AMENDMENT NO. 348

Mr. DOMENICI (for Mr. KYL) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE ON ADDITIONAL TAX CUTS.

It is the sense of the Senate that nothing in this resolution shall be construed as prohibiting Congress from providing additional tax relief in future years if the cost of such tax relief is offset by reductions in discretionary or mandatory spending, or increases in revenue from alternative sources.

SNOWE (AND COVERDELL) AMENDMENT NO. 349

Mr. DOMENICI (for Ms. SNOWE, for herself and Mr. COVERDELL) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the proper place, insert the following:

PURPOSE.—Expressing the sense of the Senate that higher education tax cuts should encourage parents and students to save for the costs of a higher education, and to provide relief from the debt burden associated with borrowing to pay for a post-secondary education.

(a) FINDINGS.—The Congress finds that—

(1) the budget agreement reached between Congressional leaders and President Clinton provides for $85 billion in net tax relief over five years.

(2) in a May 15, 1997, letter to President Clinton, the Speaker of the House and the Senate Majority Leader agreed that the tax package must include tax relief of roughly $35 billion over five years for post-secondary education, including a deduction and a tax credit.

(3) the letter further stipulated that the education tax package should be consistent with the objectives put forward in the HOPE Scholarship and tuition tax proposals contained in the Administration's FY 1998 budget proposal.

(4) as outlined in the Administration's FY 1998 budget summary, the objective of the education tax credits and deductions is to ensure that financial barriers to higher education continue to fall for all Americans, and to encourage Americans to pursue higher education and to promote lifelong learning.

(5) students at the undergraduate level have seen tuition increases outpace inflation for more than a decade, which has led to an increased demand for student aid, including student loans.

(6) the typical student loan borrower—including undergraduate, graduate, and doctoral students—now accumulates more than $10,000 in educational debt. This rising debt burden poses a serious threat to students and may lead to some students no longer pursuing a higher education.

(7) post-secondary education tax cuts that encourage savings and that address this rising debt burden would encourage Americans to pursue a higher education and promote lifelong learning, and would, therefore, be consistent with the objectives sought by President Clinton in his budget proposal.

(b) SENSE OF SENATE.—It is the sense of the Senate that the levels in this resolution and legislation enacted pursuant to this resolution assume—

(1) that higher education tax relief should encourage Americans to pursue a post-secondary education and promote lifelong learning.

(2) tax incentives that encourage parents and students to save for higher education expenses, and that provide relief from the debt burden associated with borrowing to pay for a post-secondary education, are consistent with the objectives set forth in this resolution, and should be included in any post-secondary education tax cut package.

HARKIN AMENDMENTS NOS. 350–351

Mr. LAUTENBERG (for Mr. HARKIN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

AMENDMENT NO. 350

At the appropriate place in the resolution, insert the following:

SEC. . SENSE OF THE SENATE ON MEDICAL RESEARCH.

It is the sense of the Senate that the funds in the defense 050 account that are assumed to be dedicated for medical research should be increased by $900,000,000 for fiscal year 1998.

AMENDMENT NO. 351

At the end of title II, add the following:

SEC. . ANTIGIMMICK TAX SCORING.

For purposes of scoring any revenue provision of a reconciliation bill enacted pursuant to this resolution, a provision that increases revenue in fiscal year 2002 by an amount $1,000,000,000 or more in excess of the amount that the provision increases revenue in either fiscal year 2001 or 2003 shall be scored by—

(1) subtracting the amount of the excess from the revenue amount for fiscal year 2002; and

(2) dividing the amount of excess by 4 and adding the quotient to the revenue score for the provision for each of the fiscal years 2002 through 2005.

KOHL (AND KERRY) AMENDMENT NO. 352

Mr. LAUTENBERG (for Mr. KOHL, for himself and Mr. KERRY) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE EARLY CHILDHOOD EDUCATION.

(a) FINDINGS.—The Senate finds the following:

(1) Scientific research on the development of the brain has confirmed that the early childhood years, particularly from birth to the age of 3, are critical to children's development.

(2) Studies repeatedly have shown that good quality child care helps children develop well, enter school ready to succeed, improve their skills, cognitive abilities and socioemotional development, improve classroom learning behavior, and stay safe while their parents work. Further, quality early childhood programs can positively affect children's long-term success in school achievement, higher earnings as adults, decrease reliance on public assistance and decrease involvement with the criminal justice system.

(3) The first of the National Education Goals, endorsed by the Nation's governors, passed by Congress and signed into law by President Bush, stated that by the year 2000, every child should enter school ready to learn and that access to a high quality early childhood education program was integral to meeting this goal.

(4) According to data compiled by the RAND Corporation, while 90 percent of human brain growth occurs by the age of 3, public spending on children in that age range equals only 8 percent of spending on all children. A vast majority of public spending on children occurs after the brain has gone through its most dramatic changes, often to correct problems that should have been addressed during early childhood development.

(5) According to the Department of Education, of $29,400,000,000 in current estimated education expenditures, only $1,500,000,000, or 5 percent, is spent on children from birth to age 5. The vast majority is spent on children over age 5.

(6) A new commitment to quality child care and early childhood education is a necessary response to the fact that children from birth to the age of 3 are spending more time in care away from their homes. Almost 60 percent of women in the workforce have children under the age of 3 requiring care.

(7) Many States and communities are currently experimenting with innovative programs directed at early childhood care and education in a variety of care settings, including the home. States and local communities are best able to deliver efficient, cost-effective services, but while such programs are long on demand, they are short on resources. Additional Federal resources should not create new bureaucracy, but build on successful locally driven efforts.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the budget totals and levels in this resolution assume that funds ought to be directed toward increasing the supply of quality child care, early childhood education, and teacher and parent training for children from birth through age 3.

BYRD AMENDMENT NO. 353

Mr. LAUTENBERG (for Mr. BYRD) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

On page 56, line 7, strike the word ''enacted'' and insert: ''reported or an amendment is adopted''.

On page 56, line 15, strike the words ''enactment of legislation'' and insert: ''reporting of legislation or upon the adoption of an amendment''.

BIDEN (AND OTHERS) AMENDMENT NO. 354

Mr. LAUTENBERG (for Mr. BIDEN for himself, Mr. BYRD, and Mr. GRAMM) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the end of title II, add the following:

SEC. . SUPPORT FOR FEDERAL, STATE, AND LOCAL LAW ENFORCEMENT OFFICERS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Our Federal, State, and local law enforcement officers provide essential services that preserve and protect our freedoms and security, and with the support of Federal assistance, State and local law enforcement officers have succeeded in reducing the national scourge of violent crime, as illustrated by a murder rate in 1996 that is projected to be the lowest since 1971 and a violent crime total in 1996 that is the lowest since 1990.

(2) Through a comprehensive effort to attack violence against women mounted by State and local law enforcement, and dedicated volunteers and professionals who provide victim services, shelter, counseling, and advocacy to battered women and their children, important strides have been made against the national scourge of violence against women, illustrated by the decline in the murder rate for wives, ex-wives, and girlfriends at the hands of their ''intimates'' fell to a 19-year low in 1995.

(3) Federal, State, and local law enforcement efforts need continued financial commitment from the Federal Government for funding and financial assistance to continue their efforts to combat violent crime and violence against women.

(4) Federal, state and local law enforcement also face other challenges which require continued financial commitment from the Federal Government, including regaining control over the Southwest Border, where drug trafficking and illegal immigration continue to threaten public safety and menace residents on the border and throughout the nation.

(5) The Violent Crime Reduction Trust Fund established in section 310001 the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) fully funds the Violent Crime Control and Law Enforcement Act of 1994, including the Violence Against Women Act, without adding to the Federal budget deficit.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions and the functional totals underlying this resolution assume that—

(1) the Federal Government's commitment to fund Federal law enforcement programs and programs to assist State and local efforts to combat violent crime, including violence against women, will be maintained; and

(2) funding for the Violent Crime Reduction Trust Fund will continue in its current form at least through fiscal year 2002.

BOXER (AND OTHERS) AMENDMENT NO. 355

Mr. LAUTENBERG (for Mrs. BOXER, for herself, Mr. DURBIN, Mr. DASCHLE, Mr. HARKIN, and Mr. BUMPERS) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place, add the following new section:

SEC. . SENSE OF THE SENATE ON TAX CUTS.

It is the sense of the Senate that the Concurrent Resolution on the Budget assumes that—

(1) A substantial majority of the tax cut benefits provided in the tax reconciliation bill will go to middle class working families earning less than approximately $100,000 per year; and

(2) The tax cuts in the tax reconciliation bill will not cause revenue losses to increase significantly in years after 2007.

ROBB AMENDMENT NO. 356

Mr. ROBB proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

At the appropriate place, add the following:

SEC . . SENSE OF THE SENATE ON SOCIAL SECURITY AND RETIREMENT SAVING.

(a) FINDINGS.—The Senate finds that—

(1) Payroll taxes provide the basic funding source for Social Security, the most popular and successful government program in reducing the rate of poverty among the elderly;

(2) For a majority of Americans, the payroll tax burden imposed for Social Security is now greater than the income tax burden, making it difficult for many families to invest for their own retirement;

(3) Payroll taxes collected for Social Security currently exceed the amounts necessary to fund Social Security benefits;

(4) Excess Social Security revenues finance current consumption rather than being saved and invested for the benefit of today's employees, denying them an opportunity to share in the benefits of the increasing value of capital in a global economy;

(5) Increased personal savings is necessary to provide secure retirements and enhance future productivity and economic growth;

(B) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this Resolution assumes that—

(1) The Senate will consider using the amounts currently reserved for tax cuts for individuals to use a portion of their Social Security payroll tax contribution for personal retirement accounts.

NOTICE OF HEARING

COMMITTEE ON SMALL BUSINESS

Mr. BOND. Mr. President, I wish to announce that the Committee on Small Business will hold a hearing entitled ''Small Business Perspectives on Mandates, Paperwork, and Regulation.'' The hearing will be held on June 4, 1997, beginning at 9:30 a.m. in room 428A of the Russell Senate Office Building.

For further information, please contact Suey Howe at 224–5175.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, May 21, 1997, at 2 p.m. in open session, to receive testimony regarding the quadrennial defense review and its impact on the future years defense program.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation be authorized to meet on May 21, 1995, at 9:30 a.m. on program efficiencies at the Department of Transportation.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, May 21, for purposes of conducting a Full Committee Business Meeting which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider pending calendar business.

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

COMMITTE ON FINANCE

Mr. DOMENICI. Mr. President, The Finance Committee requests unanimous consent to conduct a hearing on Wednesday, May 21, 1997, beginning at 10 a.m. in room 215 Dirksen.

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

COMMITTE ON FINANCE

Mr. DOMENICI. Mr. President, the Finance Committee Subcommittee on Social Security and Family Policy requests unanimous consent to conduct a hearing on Wednesday, May 21, 1997, beginning at 2 p.m. in room 215 Dirksen.

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

COMMITTE ON FOREIGN RELATIONS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 21, 1997, at 10 a.m. to hold a business meeting.

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

COMMITTE ON INDIAN AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, May 21, 1997 at 9:30 a.m. in room 485 of the Russell Senate Building to conduct an Oversight Hearing on programs designed to assist native American veterans.

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

ADDITIONAL STATEMENTS

THE 15TH ANNIVERSARY OF THE VIETNAM VETERANS MEMORIAL

• Mr. GORTON. Mr. President, I am proud to be a cosponsor of Senator HAGEL's legislation commemorating the 15th anniversary of the Vietnam Veterans Memorial, Senate Resolution 87. His resolution is a fitting tribute not only to the wall itself, but to the 58,196 American men and women who gave their lives for this country in Southeast Asia or who are still missing nearly 20 years after the conclusion of the war.

The memorial, the names of Americans killed and missing engraved in its marble edifice, is an eery reminder of the sacrifice made by so many young men and women for a cause many here at home disputed. Nearly 9 million Americans served in Vietnam. Their valor in war was too often greeted with disrespect upon their return home. That is why the Vietnam Veterans Memorial plays such an important role in honoring the bravery and sacrifice of the soldiers who served in an unpopular war at a tumultuous time in American history.

While the memorial's design was at first controversial, it has become an important aspect of the National Mall in Washington, DC, visited by tens of thousands of tourists every year. For those whose loved ones perished in Vietnam, it is an opportunity to see firsthand, that their friends or relatives will be revered and remembered for a long time to come. For those who were not touched personally by the war, the memorial is a chance to understand and experience Vietnam. And for all Americans, the Vietnam Veterans Memorial is a lesson about the dangers of war and the bravery, character, and patriotism of the men and women of our Armed Forces.

On this, the 15th anniversary of the Vietnam Veterans Memorial, Senator HAGEL's resolution is a timely and appropriate way to honor all those who served in Vietnam. I am proud, Mr. President, to be an original cosponsor.•

LOBBYING DISCLOSURE TECHNICAL AMENDMENTS ACT OF 1997

• Mr. LEVIN. Mr. President, I wish to add to the statement I offered last week when I introduced S. 758, the Lobbying Disclosure Technical Amendments Act of 1997. In my statement, I noted that a similar piece of legislation that Congressmen CHARLES CANADY and BARNEY FRANK sponsored last year and moved through the House of Representatives, was unable to gain passage in the Senate because of a provision that some Members of the Senate found problematic. I emphasized that the bill I have introduced omits that provision.

Although that revision is, in my view, the key difference between the bill I have introduced and last year's version, I should also point out a second change. S. 758 omits a provision that would alter the language in those sections of the Lobbying Disclosure Act (the ''LDA'') requiring LDA registrants to identify certain foreign entities that have an interest in the outcome of their lobbying activities. As it stands now, the LDA provides that registrants need to identify foreign entities that have a direct interest in their lobbying. The provision in last year's House-passed bill and which is not included in S. 758 would have added the word ''significant'' to that phrase. Under that provision, registrants

would have to disclose foreign subsidiaries only if they have a significant direct interest in the lobbying.

In my view, changing direct interest to significant direct interest would be counterproductive, especially since the provision in question does not define what the word ''significant'' means in this context. At what point does a direct interest become a significant direct interest? If foreign entities have a direct interest in the lobbying of a registrant, but the registrant insists that interest is not significant, how can we judge that contention? In the absence of clear answers to those questions, I believe the provision I have omitted could weaken the LDA. By introducing an element of vagueness into the act's language, it could undercut the act's ability to fulfill the information-gathering function that we had in mind when we passed it.

As I emphasized in my initial statement, my purpose in introducing this technical amendments bill is to make the LDA even more useful than it is now. I do not want to do anything to weaken the act, and S. 758 is shaped in accordance with that guiding principle.●

LAMENTATION

● Mr. CHAFEE. Mr. President, I ask that a poem by Virginia Louise Doris be entered in the RECORD. Ms. Doris, distinguished poet and historian from my hometown of Warwick, RI, has written this poem to commemorate those who lost their lives in the bombing of the Murrah Federal Building in Oklahoma City over 2 years ago.

The poem follows:

LAMENTATION

(By Virginia Louise Doris, composed April 19, 1997)

''A Song that wanders only where an elegy sent''.

DE PROFUNDIS

We tarry, roses breathing vanished-times broken,
in this green-parting glade where agonies spoken.
Oh! waiting heart! shall thy pulses always beat
to the serephs pause of a presence so dear,
that all dove-cote lowing cadance repeat
its sweet, floating, accents to thine ear?
Charcoal shadows lay their twilight fingers
upon a barren wall, where roses sang a
climbing song, and declivous wings brushed
in summer flight, each petal instill life's
incense to fulfill; the roar of fate decrees
a sundered cherish.

IN EXTREMIS

In the long noon-tide of our sorrow, we questioned
of the eternal morrow; we gaze in bonded awe
far through the daystar's candle dimmed, or charnel
tears and dust which tell our kindred roam.
The beloved is keeping all, the waiting, murmuring,
beloved lets nothing go, of clasp and want
which tolls our famished moan, illumed by lyric
cerement, spheres gush of dewy, languored,
woes cascading vernal, flamy, biers of memory,
the enchanted years.

IN NOMINE

Oh! waiting heart! Shall thy images always keep
the remembrance of lost, embroidered-time,
our realm-blessed joy unrolled, to weep
unstemmed amid this sable, wounded, clime?
We tarry, roses breathing vanished-times beckon,
in this green-parting grove where seasons reckon.

IN MEMORIAM

April 19, 1995, Oklahoma City, the Murrah Building.●

ENHANCING OUR DIPLOMATIC READINESS—A CRITICAL TEST OF AMERICAN LEADERSHIP

● Mr. BIDEN. Mr. President, last week a bipartisan budget agreement was successfully reached between the Administration and Congressional leaders of both parties.

This is a seminal achievement that will lead us to a balanced budget for the first time in 28 years.

I would like to congratulate the budget negotiators on this important accomplishment.

I would like to call particular attention to their leadership in funding international affairs.

In February, I wrote the Budget Committee asking that the President's budget request of $19.45 billion for international affairs spending be regarded as the absolute minimum essential to effectively carry out the national interests of the United States.

Yesterday, the Budget Committee reported a resolution establishing these enhanced levels of funding as a priority for fiscal year 1998.

I commend the Budget Committee for recognizing the importance of funding this year the full amount of the President's request for foreign affairs.

This was an important first step.

I look forward to continue working with Chairman HELMS on the Foreign Relations Committee and with the Appropriations Committee to insure that sufficient funds are authorized and appropriated to restore our resources for diplomatic readiness abroad.

But it was only the first step. In recent years, funding for international affairs has plummeted in real terms to its lowest level since World War II.

Yet all the while, due to the downsizing of U.S. overseas military forces, diplomacy has become more important than ever as a vital front-line defense of American interests.

Although the cold war has ended, challenges to our security remain.

We live in an age in which international threats such as terrorism, narcotics trafficking, and nuclear proliferation continue to imperil our Nation's security and prosperity.

American diplomats in the field and on the ground are essential to understanding complex political and economic forces affecting our allies and adversaries alike.

Despite the reduction in our military readiness abroad, the increased importance of diplomatic readiness to our Nation's security has not been reflected in the Federal budget in recent years.

To the contrary, international affairs funding has suffered drastic budget cuts, a point which I will demonstrate today. These cuts have already begun to have noticeable effects on our Nation's diplomatic readiness.

Thus, this year's budget agreement must be seen as only the first step toward restoring and enhancing America's diplomatic preparedness.

Before discussing the decline in resources for foreign affairs, it is worth pausing to address a threshold question: What kind of foreign policy do we want to have?

Stated more bluntly—are we prepared to remain engaged in the world, or are we headed down the path of isolationism?

For it is only after we answer this fundamental question should we make decisions about the budgetary resources for foreign affairs.

Mr. President, how we fund our diplomatic resources abroad presents another test for American leadership—whether the growing forces of neoisolationism or those favoring engagement are going to prevail in this congress.

It is commonly asserted these days that the American people are weary of international involvement, and want us to cut back from our commitments abroad.

Over the course of the last 50 years we have seen an enormous technological revolution take place in the areas of information, communication, transportation, medicine, manufacturing, and world trade.

For better or worse, this revolution—at least for large segments of the world—has fundamentally transformed the way we live.

Within and among nations, people today are more closely connected than ever by fast and affordable travel, instant electronic communication, and standardized products.

For americans, who for much of our history enjoyed a sense of separateness from the world, global interdependence is no longer an academic abstraction; we experience it daily. The lesson of the two world wars in this century—that we cannot preserve our own well-being in isolation from the world's problems—has now been compounded by technology.

For the last 50 years, the major threat to our Nation's security was the global spread of communism. Today, a host of other threats—no less dangerous—to our future security and prosperity exist: the proliferation of dangerous weapons; the threat of terrorism, narcotics, and international crime; the spread of deadly diseases; the degradation of the environment; and increasing economic competition.

On every continent, we face many challenges, new and old:

In Europe, we work to reinvigorate the NATO alliance by engaging in new missions and expanding to the east;

In Eurasia, we seek to build a constructive relationship with a newly democratic Russia still armed with thousands of nuclear weapons, and to nourish democracy there and elsewhere in the New Independent States;

In the Middle East, we endeavor to sustain a peace process that has brought Israel and her neighbors within sight of a final agreement that could end decades of conflict;

In Asia, we seek to strengthen the bonds of cooperation with old allies in Japan and Korea, and to build a cooperative relationship with a growing economic and military power in China;

In Latin America, we seek to sustain and strengthen our ties to the new democracies which are enjoying unprecedented economic success, and to help them contain the threat of the narcotics trade;

In Africa, we are helping the new South Africa take its rightful place as a leader of the world community, and we seek to encourage the spread of democracy across the continent, where the seeds of freedom and free markets are slowly taking root.

These multiple challenges may not call for a single construct—as the challenge of communism yielded the policy of containment—but they clearly affect American interests, and cry out for active American leadership.

I believe that the American people understand this reality; and precisely for that reason, they expect to see the strong hand of the United States in world affairs.

It is often stated, sometimes with excessive triumphalism, that we are the world's lone remaining superpower. Unfortunately, when it comes to devoting adequate resources for our diplomatic efforts, we rarely act the part.

Indeed, our ability to continue our leadership role is threatened by the severe decline in funding for international affairs.

And although some members of this body may contest the need for such funding, there can be no dispute that spending for international affairs has fallen significantly in recent years.

Allow me to elaborate. In budgetary terms, nearly all funding for international affairs programs are found in the category known as function 150. In this category are all major foreign affairs activities: diplomacy conducted by the Department of State, foreign aid administered by the Agency for International Development; information and exchange activities carried out by the U.S. Information Agency; The work of the Arms Control and Disarmament Agency; U.S. contributions to international financial institutions such as the World Bank; and support for the United Nations and related agencies ranging from the International Atomic Energy Agency to the Children's Fund.

By every measure, spending for these activities has been cut to the bone in the last few years.

According to a study of the Congressional Research Service prepared at my request, foreign policy spending is now at its lowest level in 20 years.

Stated in fiscal 1998 dollars, the budget in the current fiscal year is $18.77 billion, which is 25 percent below the annual average of $25 billion over the past two decades, and 30 percent below the level of 10 years ago, near the end of the Reagan administration.

This is a recent phenomenon. The decline commenced at the beginning of the decade. But the most significant reductions came in the past few years.

Spending dropped by 3.8 percent in fiscal 1994, by 5.6 percent in fiscal 1995, by 10.2 percent in fiscal 1996, and finally by 3.7 percent in fiscal 1997. In short, the reductions in this decade began with a trickle and have turned into a hemorrhage.

Taken together, let me repeat, these budget cuts brought spending in 1997 to the lowest level in the past 20 years, and a full 25 percent below the average for that period.

These reductions are also historic in two other respects. For the past two decades, international affairs spending, as measured against the rest of the discretionary budget, held reasonably steady. The average was 4.1 percent, but it rarely deviated much from that average.

In fact, the trend, from 1987 to 1995, was virtually a straight line. But then the line started to take a dive in 1996, dropping to 3.7 percent; and in 1997, it fell still further to 3.6 percent.

The story is largely the same when foreign affairs funding is compared to the total budget, including mandatory spending programs.

Over the past two decades, international affairs funding comprised, on average, 1.7 percent of the entire Federal budget. In fiscal 1997, such funding was just 1.1 percent of the Federal budget, the lowest level in the past 20 years and about one-third below the historical average.

It should be pointed out here that I am not using fiscal year 1985 as a base year for comparison. That was an extraordinary year because there were two special supplemental appropriations to meet foreign policy crises: a special aid package for the Middle East, and a relief bill for famine in Africa.

Spending that year, in constant fiscal 1998 dollars, was $36.3 billion, or nearly twice current funding.

I recognize that such an anomalous year would skew the comparison, and instead I have chosen to look at current funding based against a 20-year time period.

This period, I might add, embraces the tenure of both Presidents Carter and Clinton—that is, the two most recent Democratic administrations—as well as those of Presidents Reagan and Bush.

In sum, Mr. President, the data do not lie. No matter how you slice it, spending for foreign affairs has been severely cut.

There's another part of the story that needs to be told, however, and that's how these cuts in international affairs spending, on both programs and people, have impacted American interests.

Let us start with the State Department. Since President Clinton assumed office, funding for the Department's core activities has fallen by 17 percent in real terms.

Although the current level is slightly higher than the historical average of the past 20 years, the cuts in the last few years have had a dramatic effect on the Department.

First, we have closed 36 missions overseas, in locations such as Zurich, Switzerland, Stuttgart, Germany, and Lubumbashi, Zaire.

At the same time, 24 new posts have been opened, 15 of which are in the nations that once comprised the Soviet empire. We now have 249 overseas posts, the lowest level since 1980.

Now, I am not objecting to cuts made in the interest of efficiency. I agree that we should eliminate duplication and waste.

What I am concerned about, however, is whether these reductions may have left our interests unevenly protected overseas.

Just as one example, the closing last year of the American Consulate in Medan, Indonesia, has left us with no American diplomatic presence in the second most important commercial center in that country.

Unlike Britain, Russia, Japan, Germany, and a host of other countries which all have diplomats in Medan, our presence is limited to the American Embassy some 800 miles away in Jakarta.

Medan is located in a part of Indonesia that is a key entry-way for arms smuggling into the country, and historically has been a hotbed of pro-independence political activity. Moreover, there are significant private American economic interests in Medan. However, instead of protecting our interests in the region—both economic and security—we have been reduced to sending someone from the Embassy up to Medan about once every 4 months.

Second, the Department is suffering from what might be called an infrastructure deficit. Replacement and modernization of basic equipment has been long deferred, and renovation and repair of overseas buildings has been delayed. Let me state it at the most basic level: Many diplomats, both here and abroad, still use Wang computers. When purchased in the early 1980's, the Wang was state-of-the-art, and the State Department was the envy of the Federal Government; today, the obsolete computers that pervade the Department make it the laughing-stock of Washington. Similarly, over 40 percent of the Department's overseas telephone switchboards are obsolete, so old in fact, that spare parts are unavailable, and to keep the older systems working, we cannibalize ones that have

been replaced to fix those still in operation. The same is true for over 80 percent of all our radio equipment overseas.

In the same vein, thousands of repairs to embassies and other facilities remain unmet because of the lack of funds. Our embassy in Beijing—one of our most important posts—is literally falling apart. Numerous other facilities, on every continent, require extensive repair work.

At other foreign affairs agencies, the story is much the same. At the U.S. Information Agency, funding is 13 percent below the average in the past 20 years. Two programs which are among our cheapest and most cost-effective foreign policy tools—exchanges and international broadcasting—have been particularly affected.

For example, budget cuts and a consolidation of all international broadcasting have forced reductions in programming on the Voice of America and Radio Free Europe/Radio Liberty. During the Cold War, services like Radio Free Europe provided a steady breath of truth to those trapped behind the Iron Curtain.

Today, their mission, and the mission of the new Radio Free Asia, is no less important. During my recent visit to Moscow, a leading member of the Russian legislature pleaded for the continuation of Radio Liberty, which is regarded as a critical tool in a country where the media remains under strong influence of the government and the ruling classes.

The steepest reductions in our foreign policy budget have come in foreign assistance, which at $11.5 billion last year—again, using fiscal 1998 dollars—is lower, in real terms, than any year of the last 20, and some 36 percent below the historical average of that period.

Foreign aid spending has been steadily falling since the early 1990's. Reductions of this magnitude have undermined American influence and interests around the globe.

It is popular to assert that foreign aid is merely the foreign policy equivalent of welfare, a supposed giveaway of massive dimensions that yields few benefits to American interests, and that if we merely ended the program, our problems with the budget deficit would be over. Wrong on both counts.

Through our foreign assistance programs we help to combat the scourges of drug trafficking, international crime, terrorism, and arms proliferation. For example, our contributions to the International Law Enforcement Academy in Budapest, Hungary, has helped to train nearly 3,000 foreign law enforcement personnel in fighting organized crime, drugs, and international money laundering. American contributions to these efforts is an important way in which we protect our interests abroad.

To state the obvious, if we ended all foreign aid—both economic and military assistance—we would not end our deficit problem. And the programs are far from a giveaway; they are an investment in our security.

Mr. President, I am not the only one who feels that reductions in foreign affairs spending have put American interests at risk.

A recent independent, bipartisan blue ribbon panel jointly sponsored by the Brookings Institution and the Council on Foreign Relations came to the same conclusion.

They concluded that ''the cuts already made in the international affairs discretionary account have adversely affected, to a significant degree, the ability of the United States to protect and promote its economic, diplomatic and strategic agendas abroad.

''Unless this trend is reversed, American vital interests will be jeopardized.''

Mr. President, we cannot let this trend continue. It is a delusion to believe that America can remain actively engaged in the world if we continue to deny the President and the Secretary of State the resources necessary for the conduct of American foreign policy.

An important first step in the right direction has been taken by funding in full President Clinton's international affairs budget request for fiscal 1998.

Yet, as I have demonstrated here today, after several years of drastic cuts, continued funding is critical to restoring and enhancing America's vital diplomatic capacity.

As it has been reported, the President has decided to reorganize the many foreign affairs agencies of the Federal Government.

I support the President's reorganization plan, and believe that we should eliminate duplication and waste in our foreign policy programs.

However, we in the Congress must keep in mind the needs of the next century and the importance of our diplomatic presence abroad.

I also want to make clear that our reform efforts should be driven not by the imperative of budgetary savings—as important as that is—but by the need to ensure that we have a robust diplomatic presence around the globe in order to protect the gains of our cold war victory.

Let me also unequivocally state that any savings realized from reorganization of our foreign policy agencies should not be diverted elsewhere but re-allocated to enhance our diplomatic readiness.

Moreover, in acting to ensure adequate funding for American foreign policy, we should also end the false distinction—in both our thinking and our budgeting—between foreign policy and national defense.

For years, we have distinguished between the two as if they were separate and unrelated aspects of our national budget.

But that is hardly the case. Quite the opposite: The two are closely linked, and should be similarly conceived as part of a broader national security budget.

This is far from a radical concept. More than most Americans, members of the U.S. military well understand that diplomacy is the front-line of our national defense.

Both our diplomats and our soldiers work on a daily basis to protect our national security, and their missions overlap frequently.

When American aircraft carriers are deployed to the Taiwan Straits, they are not only showing American military power, they are demonstrating the United States commitment to security and stability in East Asia.

When American diplomats negotiate nuclear and conventional arms control agreements in Europe and Eurasia, they are strengthening European security, a vital national interest which has long been central to our defense planning.

In short, just as the projection of military power is a diplomatic tool, diplomacy is a weapon in the arsenal of our national defense. Both are vital to our national interest; both should be protected.

Mr. President, the debate over the form and substance of our Nation's foreign policy comes down to this—will America lead?

I believe our interests call for it. The sacrifices of our grandparents and parents require it. The future of this great country demands it.

Mr. President, the end of the cold war and the approach of a new century provides a historic moment for the United States to play a decisive role in world affairs—to bend the course of history slightly. Such moments are rare.

The last such time, after the conflagration of the Second World War, saw an active American leadership role in shaping the institutions that were central to world history in the last half of this century—institutions such as the North Atlantic Treaty Organization and the World Bank.

Like the choices made by Presidents named Roosevelt and Truman and Senators named Connolly and Vandenburg a half century ago, the decisions we make now could affect the course of world history for generations to come.

Congress needs to reinforce America's leadership in the world, and provide the resources necessary to protect our interests overseas.

We bear a responsibility to the American people to make the case and show the benefits for these investments, as well as the costs of not pursuing them.

I, for one, will do everything I can as ranking minority member on the Foreign Relations Committee to make sure that we do.

Rather than resting on our laurels after winning the cold war, we must be even more resolute, lest we squander an opportunity to bring peace and democracy to even more people across the globe.

E. DONNALL THOMAS MEDAL OF ACHIEVEMENT

Mr. GORTON. Mr. President, I rise to pay special tribute to George and Jane Russell, two individuals who have made remarkable contributions within their business and local communities. The Russells will be presented with the E. Donnall Thomas Medal of Achievement Award at a special celebration to be held on June 14 in Seattle.

The E. Donnall Thomas Award is named after Dr. E. Donnall Thomas, Director Emeritus of the Fred Hutchinson Cancer Research Center's Clinical Division and recipient of the 1990 Nobel Prize in Medicine, who pioneered bone marrow transplantation as a form of treatment for cancer. The guidance of Dr. Thomas and the work of his colleagues enables the Fred Hutchinson Cancer Research Center to save thousands of lives each year.

George and Jane Russell truly represent the spirit of the E. Donnall Thomas Medal of Achievement: inspirational leadership in their company and community; a force for positive change; and dedication to service that puts their highest humanitarian principles into action. Together, the Russells have inspired a corporate culture of integrity, earning their company, the Frank Russell Co., the distinction of ''Best Large Company to Work for in Washington State'' by ''Washington CEO'' in 1994 and the Better Workplace award from the Association of Washington Business in 1995.

George Russell is a dynamic industry pioneer who has made an indelible mark on the investment world. As the founder of both the pension consulting business and Russell 20–20, a group providing investment opportunities for countries making the transition from command to market economies, George Russell has truly revolutionized the investment world. Jane Russell is credited as the visionary behind the Frank Russell Company's award winning success. As the director of corporate and community relations, Jane promotes a business environment based on mutual trust and respect.

The Russells' community involvement and dedication to humanitarian efforts is unmatched. Jane has been the recipient of the Tacoma/Pierce County's Community Service Award and serves on the boards of the National Center for Nonprofit Boards, Washington, DC, the American Leadership Forum and the campaign cabinet of the Washington State History Museum. George is a founding member of the Executive Council for Greater Tacoma, a group of corporate and community leaders dedicated to the revitalization of Tacoma. Together, they cochair the effort to build the $38.8 million International Museum of Modern Glass on Tacoma's waterfront.

I commend the efforts and the inspiration provided by George and Jane Russell. By awarding the Russells with the E. Donnall Thomas Medal of Achievement, the Hutchinson Center guarantees that their exemplary efforts are not overlooked and reaffirm our commitment to provide the Fred Hutchinson Cancer Research Center the vital support it needs to continue its battle against cancer.●

RELIEF OF CHRISTOPH MEILI

● Mr. ABRAHAM. Mr. President, I rise to explain my reasons for being an original cosponsor of this legislation.

Christoph Meili was until recently a security guard at the Union Bank of Switzerland. At about 6 p.m. on January 8 of this year Mr. Meili was making his nightly rounds, when he stumbled upon a number of crates containing bank documents. Surprised, Mr. Meili examined the documents and found them to be ledgers, letters, and statements of account dating back to the 1930's and 1940's, and pertaining mostly to Jewish clients.

Mr. Meili knew that historical documents relating to the relationship between Swiss banks and Jews during the Holocaust were an issue of international importance. For some time now my colleague from New York, Senator D'AMATO, has been investigating the role of Swiss banks in laundering money for the Nazis during World War II, and in particular the possibility that those banks reaped huge profits from property and gold confiscated from Jewish victims of the Holocaust.

In answer to the firestorm of protest over these allegations, the Swiss Parliament only 3 weeks before had passed, with great fanfare, a law specifically prohibiting the destruction of documents that might assist in the search for assets properly belonging to victims of Hitler's concentration camps. Yet here were exactly the kind of documents the Swiss Parliament presumably wanted to protect.

At this point, Christoph Meili could have looked the other way. Instead he remembered his responsibility as a civilized human being. He spent 20 minutes going through the documents, put what seemed the most important in his jacket, and took them out to his car.

We owe Mr. Meili a debt of immense gratitude for this act of conscience. But not everyone is thankful to him. He has lost his job. He has received death threats. He is uncertain of his own future and the future of his wife and two young children. His future does not look bright in Switzerland.

Yet here in America he is welcomed with open arms everywhere he goes, as he should be. In early May he was flown to New York under the auspices of the World Jewish Congress. He has been warmly received at receptions in both New York and Washington. And Mr. Edgar Bronfman, the chairman of the World Jewish Congress and president of the Seagram Co., has offered him a fulltime job.

Which brings us to this bill. Mr. Meili and his family seek permanent residency in this country. This is an unusual case, in that he requires action on the part of Congress to achieve this status. But this is necessary because Mr. Meili does not meet the necessary criteria for permanent residency under any of the existing categories.

Mr. Meili has done a great service to the Jewish people, to this country and to the civilized world. Without thought for his own future or well-being he did what his conscience demanded, and saved valuable evidence concerning the relationship between Swiss banks and the victims of Hitler's death camps.

It seems equally clear to me that Mr. Meili has two possible futures ahead of him. In the first, we abandon him. The United States turns its back on this man of conscience and sends him back to Switzerland. There he faces unemployment, a dark blotch on his record for informing on his employer, and possibly worse. While the vast majority of the Swiss people are decent and law-abiding, some of them already have made threats against him. He would be literally a man without a country.

Alternatively, we could welcome Mr. Meili into our Nation, as so many of our people already have welcomed him into their hearts. We have the choice. We could open our doors to this man of conscience, giving him the chance to make for himself and his family a brighter future in a land that treasures the kind of bravery he has displayed.

His circumstances do not fit any of our set categories for immigration. But I am convinced that they present us with the opportunity to demonstrate our ability and willingness to recognize when noble acts render the particulars of bureaucratic regulation less important than the will to do what is right.

Mr. Meili is the kind of man I want for a neighbor. His is a family I feel would benefit any community. Our country can only be made better by his permanent residence here.●

GOOD SAMARITAN EXEMPTION

● Ms. SNOWE. Mr. President, I am pleased to report that we have made progress in our efforts to protect Atlantic large whales. As you may recall, on May 8th of this year, several of my colleagues joined with me in introducing the ''Good Samaritan Exemption'' to the Marine Mammal Protection Act. The Good Samaritan Exemption provides that the disentanglement of a marine mammal from fishing gear does not violate the ''take'' provisions of the MMPA. We were able to have the exemption accepted as an amendment to S. 672, and, due to the broad support for this noncontroversial amendment, I am hopeful that it will be included in the conference report.

However, during the drafting of the amendment a concern emerged that this exemption alone would not provide full protection for citizens involved in whale disentanglement efforts. On May 20th, I was notified by the administration that the necessary steps will be taken to ensure that fishermen and others who act as Good Samaritans

will not be subject to prosecution under the nation's environmental statutes. I would ask to have printed in the RECORD a letter from Dr. D. James Baker, Under Secretary for Oceans and Atmospheres, which addresses this issue.

I am pleased that the administration was able to provide this assurance so that fishermen acting as Good Samaritans will not be treated unfairly by our laws. With this commitment from the administration, whale disentanglement efforts will be able to expand, improving the welfare and survival of these marine mammal populations.

The letter follows:

U.S. DEPARTMENT OF COMMERCE,
THE UNDER SECRETARY FOR OCEANS AND ATMOSPHERE,
Washington, DC, May 20, 1997.

Hon. OLYMPIA J. SNOWE,
U.S. Senate,
Washington, DC.

DEAR SENATOR SNOWE: I am aware of the recent proposals to amend the Marine Mammal Protection Act (MMPA) with a so-called ''Good Samaritan'' exemption, to allow the taking of a marine mammal if the taking is necessary to avoid injury or death to an animal entangled in fishing gear or debris.

I am also aware that such a taking could be a violation of the Endangered Species Act (ESA), if the animal is listed as endangered or threatened under that statute. The National Oceanic and Atmospheric Administration (NOAA) believes that Section 10(a)(1)(A) of the Endangered Species Act authorizes the Secretary to permit the taking of an endangered marine mammal in accordance with the conditions contained in the Snowe-Kerry ''Good Samaritan'' amendment. I am writing to you to express the commitment of NOAA to take the most appropriate administrative action under Section 10(a)(1)(A) of the ESA, to allow a ''Good Samaritan'' taking of an entangled marine mammal in the circumstances specified in the proposed MMPA amendment, specifically with regard to large whales.

Thank you for your efforts to rationalize interactions between the fishing industry and marine mammals.

Sincerely,

D. JAMES BAKER.●

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I ask unanimous consent I be recognized to present the normal wrapup. Following that time, I have 5 minutes, then Senator CONRAD will present his speech, and following his speech, the Senate will stand in adjournment pursuant to the requests outlined.

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

MAKING MAJORITY PARTY ASSIGNMENTS TO COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Senate Resolution 89 submitted earlier by Senator LOTT which would make majority party committee appointments, and further the resolution be adopted and the motion to reconsider be laid on the table.

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

The resolution (S. Res. 89) was agreed to.

The resolution is as follows:

Resolved, That notwithstanding the restrictions contained in Rule 25, the following shall be the majority party's membership on the Governmental Affairs Committee for the 105th Congress, or until their successors are chosen:

Committee on Governmental Affairs: Mr. Thompson (Chair), Ms. Collins, Mr. Brownback, Mr. Domenici, Mr. Cochran, Mr. Nickles, Mr. Specter, Mr. Smith (N.H.) and Mr. Bennett.

MEASURE REFERRED TO COMMITTEE

Mr. STEVENS. Mr. President, I ask unanimous consent the Energy Committee be discharged from further consideration of S. 156 and the bill be referred to the Committee on Indian Affairs.

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

MEASURE READ THE FIRST TIME—H.R. 1306

Mr. STEVENS. Mr. President, I understand that H.R. 1306 has arrived from the House and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1306) to amend the Federal Deposit Insurance Act to clarify the applicability of host State laws to any branch in such State of an out-of-State bank.

Mr. STEVENS. I now ask that the bill be given its second reading, and I object on behalf of a Member on the other side of the aisle.

The PRESIDING OFFICER. There is an objection. This bill will be read for the second time on the next legislative day.

VOLUNTEER PROTECTION ACT OF 1997

Mr. STEVENS. Mr. President, I ask the Chair lay before the Senate a message from the House of Representatives on (S. 543) a bill to provide certain protections to volunteers, nonprofit organizations, and governmental entities in lawsuits based on the activities of volunteers.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 543) entitled ''An Act to provide certain protections to volunteers, nonprofit organizations, and governmental entities in lawsuits based on the activities of volunteers'', do pass with the following amendment:

Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Volunteer Protection Act of 1997''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds and declares that—

(1) the willingness of volunteers to offer their services is deterred by the potential for liability actions against them;

(2) as a result, many nonprofit public and private organizations and governmental entities, including voluntary associations, social service agencies, educational institutions, and other civic programs, have been adversely affected by the withdrawal of volunteers from boards of directors and service in other capacities;

(3) the contribution of these programs to their communities is thereby diminished, resulting in fewer and higher cost programs than would be obtainable if volunteers were participating;

(4) because Federal funds are expended on useful and cost-effective social service programs, many of which are national in scope, depend heavily on volunteer participation, and represent some of the most successful public-private partnerships, protection of volunteerism through clarification and limitation of the personal liability risks assumed by the volunteer in connection with such participation is an appropriate subject for Federal legislation;

(5) services and goods provided by volunteers and nonprofit organizations would often otherwise be provided by private entities that operate in interstate commerce;

(6) due to high liability costs and unwarranted litigation costs, volunteers and nonprofit organizations face higher costs in purchasing insurance, through interstate insurance markets, to cover their activities; and

(7) clarifying and limiting the liability risk assumed by volunteers is an appropriate subject for Federal legislation because—

(A) of the national scope of the problems created by the legitimate fears of volunteers about frivolous, arbitrary, or capricious lawsuits;

(B) the citizens of the United States depend on, and the Federal Government expends funds on, and provides tax exemptions and other consideration to, numerous social programs that depend on the services of volunteers;

(C) it is in the interest of the Federal Government to encourage the continued operation of volunteer service organizations and contributions of volunteers because the Federal Government lacks the capacity to carry out all of the services provided by such organizations and volunteers; and

(D)(i) liability reform for volunteers, will promote the free flow of goods and services, lessen burdens on interstate commerce and uphold constitutionally protected due process rights; and

(ii) therefore, liability reform is an appropriate use of the powers contained in article 1, section 8, clause 3 of the United States Constitution, and the fourteenth amendment to the United States Constitution.

(b) PURPOSE.—The purpose of this Act is to promote the interests of social service program beneficiaries and taxpayers and to sustain the availability of programs, nonprofit organizations, and governmental entities that depend on volunteer contributions by reforming the laws to provide certain protections from liability abuses related to volunteers serving nonprofit organizations and governmental entities.

SEC. 3. PREEMPTION AND ELECTION OF STATE NONAPPLICABILITY.

(a) PREEMPTION.—This Act preempts the laws of any State to the extent that such laws are inconsistent with this Act, except that this Act shall not preempt any State law that provides additional protection from liability relating to volunteers or to any category of volunteers in the performance of services for a nonprofit organization or governmental entity.

(b) ELECTION OF STATE REGARDING NONAPPLICABILITY.—This Act shall not apply to any civil action in a State court against a volunteer in which all parties are citizens of the State if such State enacts a statute in accordance with State requirements for enacting legislation—

(1) citing the authority of this subsection;

(2) declaring the election of such State that this Act shall not apply, as of a date certain, to such civil action in the State; and

(3) containing no other provisions.

SEC. 4. LIMITATION ON LIABILITY FOR VOLUNTEERS.

(a) LIABILITY PROTECTION FOR VOLUNTEERS.—Except as provided in subsections (b) and (d), no volunteer of a nonprofit organization or governmental entity shall be liable for harm caused by an act or omission of the volunteer on behalf of the organization or entity if—

(1) the volunteer was acting within the scope of the volunteer's responsibilities in the nonprofit organization or governmental entity at the time of the act or omission;

(2) if appropriate or required, the volunteer was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice in the State in which the harm occurred, where the activities were or practice was undertaken within the scope of the volunteer's responsibilities in the nonprofit organization or governmental entity;

(3) the harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer; and

(4) the harm was not caused by the volunteer operating a motor vehicle, vessel, aircraft, or other vehicle for which the State requires the operator or the owner of the vehicle, craft, or vessel to—

(A) possess an operator's license; or

(B) maintain insurance.

(b) CONCERNING RESPONSIBILITY OF VOLUNTEERS TO ORGANIZATIONS AND ENTITIES.—Nothing in this section shall be construed to affect any civil action brought by any nonprofit organization or any governmental entity against any volunteer of such organization or entity.

(c) NO EFFECT ON LIABILITY OF ORGANIZATION OR ENTITY.—Nothing in this section shall be construed to affect the liability of any nonprofit organization or governmental entity with respect to harm caused to any person.

(d) EXCEPTIONS TO VOLUNTEER LIABILITY PROTECTION.—If the laws of a State limit volunteer liability subject to one or more of the following conditions, such conditions shall not be construed as inconsistent with this section:

(1) A State law that requires a nonprofit organization or governmental entity to adhere to risk management procedures, including mandatory training of volunteers.

(2) A State law that makes the organization or entity liable for the acts or omissions of its volunteers to the same extent as an employer is liable for the acts or omissions of its employees.

(3) A State law that makes a limitation of liability inapplicable if the civil action was brought by an officer of a State or local government pursuant to State or local law.

(4) A State law that makes a limitation of liability applicable only if the nonprofit organization or governmental entity provides a financially secure source of recovery for individuals who suffer harm as a result of actions taken by a volunteer on behalf of the organization or entity. A financially secure source of recovery may be an insurance policy within specified limits, comparable coverage from a risk pooling mechanism, equivalent assets, or alternative arrangements that satisfy the State that the organization or entity will be able to pay for losses up to a specified amount. Separate standards for different types of liability exposure may be specified.

(e) LIMITATION ON PUNITIVE DAMAGES BASED ON THE ACTIONS OF VOLUNTEERS.—

(1) GENERAL RULE.—Punitive damages may not be awarded against a volunteer in an action brought for harm based on the action of a volunteer acting within the scope of the volunteer's responsibilities to a nonprofit organization or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately caused by an action of such volunteer which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

(2) CONSTRUCTION.—Paragraph (1) does not create a cause of action for punitive damages and does not preempt or supersede any Federal or State law to the extent that such law would further limit the award of punitive damages.

(f) EXCEPTIONS TO LIMITATIONS ON LIABILITY.—

(1) IN GENERAL.—The limitations on the liability of a volunteer under this Act shall not apply to any misconduct that—

(A) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18) for which the defendant has been convicted in any court;

(B) constitutes a hate crime (as that term is used in the Hate Crime Statistics Act (28 U.S.C. 534 note));

(C) involves a sexual offense, as defined by applicable State law, for which the defendant has been convicted in any court;

(D) involves misconduct for which the defendant has been found to have violated a Federal or State civil rights law; or

(E) where the defendant was under the influence (as determined pursuant to applicable State law) of intoxicating alcohol or any drug at the time of the misconduct.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to effect subsection (a)(3) or (e).

SEC. 5. LIABILITY FOR NONECONOMIC LOSS.

(a) GENERAL RULE.—In any civil action against a volunteer, based on an action of a volunteer acting within the scope of the volunteer's responsibilities to a nonprofit organization or governmental entity, the liability of the volunteer for noneconomic loss shall be determined in accordance with subsection (b).

(b) AMOUNT OF LIABILITY.—

(1) IN GENERAL.—Each defendant who is a volunteer, shall be liable only for the amount of noneconomic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant (determined in accordance with paragraph (2)) for the harm to the claimant with respect to which that defendant is liable. The court shall render a separate judgment against each defendant in an amount determined pursuant to the preceding sentence.

(2) PERCENTAGE OF RESPONSIBILITY.—For purposes of determining the amount of noneconomic loss allocated to a defendant who is a volunteer under this section, the trier of fact shall determine the percentage of responsibility of that defendant for the claimant's harm.

SEC. 6. DEFINITIONS.

For purposes of this Act:

(1) ECONOMIC LOSS.—The term ''economic loss'' means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for such loss is allowed under applicable State law.

(2) HARM.—The term ''harm'' includes physical, nonphysical, economic, and noneconomic losses.

(3) NONECONOMIC LOSSES.—The term ''noneconomic losses'' means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation and all other nonpecuniary losses of any kind or nature.

(4) NONPROFIT ORGANIZATION.—The term ''nonprofit organization'' means—

(A) any organization which is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code and which does not practice any action which constitutes a hate crime referred to in subsection (b)(1) of the first section of the Hate Crime Statistics Act (28 U.S.C. 534 note); or

(B) any not-for-profit organization which is organized and conducted for public benefit and operated primarily for charitable, civic, educational, religious, welfare, or health purposes and which does not practice any action which constitutes a hate crime referred to in subsection (b)(1) of the first section of the Hate Crime Statistics Act (28 U.S.C. 534 note).

(5) STATE.—The term ''State'' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(6) VOLUNTEER.—The term ''volunteer'' means an individual performing services for a nonprofit organization or a governmental entity who does not receive—

(A) compensation (other than reasonable reimbursement or allowance for expenses actually incurred); or

(B) any other thing of value in lieu of compensation,

in excess of $500 per year, and such term includes a volunteer serving as a director, officer, trustee, or direct service volunteer.

SEC. 7. EFFECTIVE DATE.

(a) IN GENERAL.—This Act shall take effect 90 days after the date of enactment of this Act.

(b) APPLICATION.—This Act applies to any claim for harm caused by an act or omission of a volunteer where that claim is filed on or after the effective date of this Act but only if the harm that is the subject of the claim or the conduct that caused such harm occurred after such effective date.

Mr. LEAHY. Mr. President, I commend the House Judiciary Committee and the House of Representatives for their consideration and passage of H.R. 911, the Volunteer Protection Act of 1997.

At the beginning of this month, the senior Senator from Georgia and I worked out a compromise version of the Volunteer Protection Act, S. 543. Our bipartisan legislation extended reasonable liability protection to individual volunteers for honest mistakes with no effect on liability of nonprofit organizations and governmental entities. The Coverdell-Leahy substitute offered liability protection for individuals who are volunteering to help others and acting in good faith and passed the Senate by a 99–1 vote.

I am pleased that the House Judiciary Committee adopted the Coverdell-Leahy substitute version of the Volunteer Protection Act at its mark-up of H.R. 911. During its consideration of H.R. 911, the House Judiciary Committee adopted two amendments that improve our legislation.

First, the House Judiciary Committee adopted an amendment by Representative SCOTT that applies the act's protection to conduct after the act's effective date. Prospective application makes sense since the act's passage will give notice to all parties of their new legal rights.

Second, House Judiciary Committee adopted an amendment by Representative JACKSON-LEE that exempts members of hate groups from the liability protections in the bill. Although I am

not completely comfortable with the language of this amendment, its purpose is clear—to make sure that this legislation provides no protection whatsoever to anyone who is involved in a hate crime. I know that every one of my colleagues opposes hate groups and would not support liability protection for them and this amendment makes that explicitly clear.

I recommend that my colleagues review the House Judiciary Committee report on H.R. 911, House Report 105–101, for a section-by-section analysis and summary of the bill.

Although I support the Volunteer Protection Act, I realize that it is not perfect. I am troubled by its possible preemption of existing state law. While the bill's preemption provision has been significantly narrowed from the original version of S. 543, this legislation still preempts state laws that do not provide more protection for volunteers. If preemption occurs, State legislatures may pass legislation to opt out of the bill's coverage.

Rather than preempting some State laws, I would prefer that Congress offer Federal incentives to States to enact model language for limiting volunteer liability. Many States have already acted on this issue with at least 44 States having passed some protection for volunteers. If we can achieve the shared objective of protecting individual volunteers without preempting State tort law, I think we should be pursuing that route. That approach, however, was not acceptable to the majority.

I am also troubled by the manner that the Senate considered the Volunteer Protection Act. S. 543 was brought to the Senate floor without notice, without hearings and without a committee report. Although Senator COVERDELL and I were able to work together to fashion a bipartisan bill, I believe that process would have been much easier had we gone through the normal process of considering the Volunteer Protection Act through the Senate Judiciary Committee.

Mr. President, I share a profound sense of gratitude and appreciation for the thousands of Vermonters and millions of volunteers nationwide whose selfless acts make the world a better place for us all. The people who spend their weekends preparing dinners for the homeless and poor, the parents who organize a carwash to raise money for the local PTA, the neighbors who donate to those displaced by flood, fire and other disasters—these generous acts of voluntarism and countless others are an essential element of the American social fabric.

The Presidents' Summit on America's Future last month in Philadelphia was a tribute to the spirit of American voluntarism and a magnifying glass that will help spark intensified efforts by all Americans to be better citizens and better neighbors; citizens who will be more willing to give of ourselves to make life better in our communities and nation. The events in Philadelphia were nonpartisan and inclusive of the interests of all. I am pleased that we in the Senate and House of Representatives were able to work in that spirit to craft bipartisan legislation that promotes the worthy goals of voluntarism in America.

I believe we are building on the success of the Presidents' Summit on America's Future by working together to pass a good bill that provides volunteers involved in the delivery of needed services with reasonable liability protection. I urge my colleagues to support S. 543, the Volunteer Protection Act.

Mr. COVERDELL. Mr. President, we have today taken an important step to encourage more people to step forward and serve their communities as volunteers by removing the fear of unwarranted lawsuits against volunteers. Our adoption of S. 543, the Volunteer Protection Act of 1997, will grant immunity from personal civil liability, under certain circumstances, to volunteers working for nonprofit organizations and governmental entities.

This legislation has enjoyed overwhelming bipartisan support in both bodies. I want to thank all of those members who supported this bill to help our volunteers all across America. In particular, I would like to recognize the leadership of Senator MCCONNELL, who has been a strong advocate of reform in this area, and the other cosponsors of the bill: Senator ABRAHAM, Senator ASHCROFT, Senator ENZI, Senator GRAMM, Senator GREGG, Senator HUTCHINSON of Arkansas, Senator KYL, Senator SANTORUM, and Senator SESSIONS. All of them were extremely helpful during the original Senate debate and in many other ways as we moved this legislation forward.

I thank also Senator LEAHY for his cooperation and leadership in striking a compromise that both sides of the aisle, and indeed both Chambers, could support.

From the other body, I thank Congressman JOHN PORTER of Illinois, who has been promoting the issue of volunteer protection since 1986 and truly laid the foundation for today's success. HENRY HYDE, Chairman of the House Judiciary Committee, was instrumental in holding hearings on volunteer protection legislation. I should also thank Congressman BOB INGLIS for his leadership on this issue. And Speaker GINGRICH lent his strong support to our effort. We worked in close coordination with our colleagues in the other body and I appreciate their cooperation and hard work to make this victory possible for volunteers.

We now send the Volunteer Protection Act to the White House with the expectation that the President will enthusiastically sign it. This legislation bears directly on the mission of the Philadelphia Summit held last month at which President Clinton, and former Presidents Bush, Carter, and Ford joined with Gen. Colin Powell and other leaders to ask Americans to make a commitment to volunteerism.

Congress has now said to would-be volunteers that you don't have to be afraid of being named in a frivolous lawsuit based on your volunteer service. If you make a simple, honest mistake, we are not going to put all your assets on the block in a lawsuit lottery. Don't be afraid to step forward, get involved, and take an active part in the affairs of your community.

We hope the President will join with the overwhelming majorities in both houses of Congress and sign the Volunteer Protection Act into law.

Mr. ABRAHAM. Mr. President, I am very pleased that the House passed volunteer protection legislation this week and that the Senate is now voting on final passage of the Volunteer Protection Act. I look forward to our sending this important legislation to the President for his signature.

Thanks to the tireless efforts of my distinguished colleagues, particularly Senators COVERDELL and MCCONNELL, but also Senators SANTORUM, ASHCROFT and others, including Representatives PORTER and INGLIS in the House, we were able to pass this legislation, which will grant meaningful relief from unwarranted litigation to volunteers.

I have heard from my constituents in Michigan and others time and again about baseless lawsuits that have plagued volunteers and about how some have declined to volunteer or have limited their voluntary activities out of concern for being sued. Volunteers with the Boy Scouts, Little League, the Red Cross, and many other fine organizations have been subject to frivolous and baseless litigation. They have had to spend considerable time and money defending lawsuits. That time and money could be going to charitable activities, instead of going to increased legal fees and liability insurance costs.

We heard many examples of frivolous lawsuits and their costs during floor debate on this legislation, and I am pleased that Congress is taking action to address these significant problems that have hindered charitable activities. While many other sectors of our society and our economy continue to face equally harmful lawsuit abuses and while we need broader litigation reforms to address those abuses, this legislation represents a significant step forward in reintroducing some measure of fairness and justice in our civil justice system. In the coming weeks, I plan to introduce a bill that would provide relief from abusive lawsuits to small businesses, and I also plan to join Senator MCCONNELL in introducing a broad civil justice reform bill similar to the bill on which he and I collaborated last Congress. Those efforts are no less needed, but voluntary activity does provide some very special benefits that justify kicking off legal reform efforts this Congress by focussing on volunteers.

Charitable activity in particular provides a unique link between us as members of the same community. Through volunteer work and efforts, each of us think of our neighbors, and even strangers, as our brothers and sisters, deserving of our care and help. All too often, abusive litigation has broken down that community spirit and made us look at each other as potential plaintiffs and defendants, rather than as neighbors and friends.

The Volunteer Protection Act will help rebuild that spirit by reducing litigation excesses. The bill provides relief from punitive damages for volunteers by providing that punitive damages may only be awarded against a volunteer in cases in which the claimant proves by clear and convincing evidence that the harm was caused by the defendant through criminal or willful misconduct or through a conscious, flagrant indifference to the rights and safety of the claimant.

The act also reintroduces some fairness into the system by reforming joint and several liability rules so that, where a volunteer is a defendant in an action, the volunteer will be liable for noneconomic damages only in proportion to the volunteer's responsibility for causing the harm. That is only fair. In addition, where a volunteer is not acting with gross negligence, recklessness, or in a more egregious fashion, that volunteer will not be liable for harm caused in the scope of the voluntary activity.

This legislation also includes a State opt-out provision, under which a State may opt out of the bill's provisions for cases in State court in which all parties are citizens of the State. No State is expected to elect out of the coverage of this bill's worthy provisions, but it was important to include such a provision out of respect for principles of federalism.

These reforms can help create a system in which plaintiffs sue only when they have good reason—and only those who are responsible for their damages—and in which only those who are responsible must pay. Such reforms will create an atmosphere in which our fear of one another will be lessened, and our ability to join associations in which we learn to care for one another will be significantly greater.

I thank my colleagues on both sides of the aisle for supporting this legislation, I look forward to continuing to work to achieve broader legal reforms, and I hope that the President will demonstrate his support for voluntarism by signing the Volunteer Protection Act into law.

Mr. McCONNELL. Mr. President, I am proud tonight to see that we are one small step away from providing protections for one of our most cherished resources—that is, the men and women who serve as volunteers throughout our communities. The Senate is prepared to pass this bill tonight, and we anxiously await the President's signature.

This country's long line of volunteerism is built upon the principle of loving your neighbor as yourself—of being a ''Good Samaritan'' and stopping along side the road to lend a helping hand. People from my home state of Kentucky understand and live this simple, yet powerful principle.

Unfortunately, this volunteer spirit has become another victim to our national epidemic of litigation. William Cople, former pro bono General Counsel for the National Capital Area Council of the Boy Scouts of America has written that, ''volunteer service is under assault from an unlikely quarter—the civil justice system. Like so many others, volunteers and their service organizations have been swept into the courts to face potential liability in civil suits.''

Moreover, even the Little League faces major league liabilities. As Dr. Creighton Hale, former CEO of Little League Baseball, has noted, the Little League has become the ''Litigation League.'' For example, one woman won a cash settlement when she was struck by a ball that a player failed to catch. Incidentally, the player was her daughter.

The chilling effect of even one settlement or judgment is astounding. Again, I quote the Boy Scouts' former General Counsel who has explained: ''a legal judgment entered in a single case can have a multitude of consequences extending far beyond that case itself. This surely is a reason for concern in the case of volunteers to service organizations.''

It is precisely this type of reasoning and this type of horror stories-come-to-life that prompted me to introduce legislation to protect volunteers. I have introduced such legislation in 1990, 1993, and 1995. In this Congress, I have been proud to work with Senator COVERDELL to bring this bill to final passage, and I greatly appreciate his leadership.

Specifically, our bill protects volunteers: First, who act within the scope of their responsibilities, second, who are properly licensed or certified, where necessary, and third, who do not act in a willful, criminal or grossly negligent fashion.

The organizations whose volunteers will receive protection are both broad and worthy. Our bill not only covers 501(c)(3) organizations, but it also covers volunteers of the organizations which do good work, but do not have a tax exemption under 501(c)(3). For example, our bill covers volunteers of local charities, volunteer fire departments, little leagues, veterans groups, trade associations, chambers of commerce, and other nonprofit entities that exist for charitable, religious, educational, and civic purposes.

Finally, this bill is significant because it provides a national solution for a national problem. Bob Goodwin, president and CEO of The Points of Light Foundation, testified recently that a national solution is necessary because ''there is no consistency among our states with regard to volunteer liability statutes.'' Moreover, Mr. Goodwin explained that ''the lack of consistency has led to confusion in the volunteer community.'' The Volunteer Protection Act responds to this need and provides a uniform minimum standard to protect our volunteers.

In closing, let me say a deep word of thanks to all the volunteers and leaders who have helped me push for this legislation over the past 7 years. In particular, I want to offer a special and heartfelt thank you to my wife, Elaine Chao, who has kept me focused on this issue, and been such a steady and constant voice for the men and women who serve in our communities.

I also thank the President for his efforts in joining with Gen. Colin Powell and with President Bush to promote volunteerism throughout our country. I encourage President Clinton to sign this legislation and provide much-needed protection for our volunteers.

Mr. STEVENS. I ask unanimous consent the Senate concur in the amendment of the House.

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

AUTHORIZING AWARDING A CONGRESSIONAL GOLD MEDAL TO MOTHER TERESA

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to immediate consideration of H.R. 1650 which has been received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1650) to authorize the President to award a gold medal on behalf of the Congress to Mother Teresa of Calcutta in recognition of her outstanding and enduring contributions through humanitarian and charitable activities.

There being no objection, the Senate proceeded to consider the bill.

Mr. D'AMATO. Mr. President, I rise in order to urge the Senate to pass and send to the President, H.R. 1650, a bill to award Mother Teresa a Congressional Gold Medal.

I would like to take this opportunity to commend our colleague, the honorable Senator from Kansas, SAM BROWNBACK, for his tireless efforts to pass this legislation. Senator BROWNBACK first introduced a Senate version of this legislation, S. 689, earlier this month with overwhelming bipartisan support and cosponsorship.

That this legislation has moved quickly and easily through both Houses of Congress is a testament not only to Mother Teresa's humanitarian and charitable activities over a lifetime, but also to Senator BROWNBACK's hard work and commitment to honoring this outstanding human being.

The Congressional Gold Medal is the highest honor Congress can bestow on someone for acts and dedication to a cause that exceeds even the highest

standards. This bill honors Mother Teresa for her lifelong devotion to the sick and the needy in the most impoverished areas of the world. It also recognizes her work to build and sustain the Missionaries of Charities in 25 countries. Under her direction and following her example of selflessness, over 3,000 members of the Missionaries of Charities stand ready to continue her work.

Mr. President, Mother Teresa has already been awarded the Nobel Peace Prize and the Presidential Medal of Freedom. It is time for Congress itself to honor Mother Teresa and I commend Senator BROWNBACK for initiating this legislation. I offer my personal thanks and congratulations to my colleague.

Mr. STEVENS. I ask unanimous consent the bill be considered read for a third time and passed, the motion to reconsider be laid on the table and any statements related to this bill be placed in the appropriate place in the RECORD.

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

The bill (H.R. 1650) was read a third time and passed.

AUTHORIZING THE 1997 SPECIAL OLYMPICS TORCH RELAY

Mr. STEVENS. I ask unanimous consent the Senate proceed to consideration of House Concurrent Resolution 67 which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 67) authorizing the 1997 Special Olympics Torch Relay to be run through the Capitol Grounds.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. STEVENS. I ask unanimous consent the resolution be agreed to, the motion to reconsider be laid on the table and any statements related to the resolution appear at this point.

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

The concurrent resolution (H. Con. Res. 67) was agreed to.

NEW MEXICO STATEHOOD AND ENABLING ACT AMENDMENTS OF 1997

Mr. STEVENS. I ask unanimous consent the Senate turn to immediate consideration of Calendar 53, Senate bill 430.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 430) to amend the Act of June 20, 1910, to protect the permanent trust funds of the State of New Mexico from erosion due to inflation and modify the basis on which distributions are made from those funds.

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENS. I ask unanimous consent the bill be read for the third time and passed, the motion to reconsider be laid on the table, and any statements be placed at the appropriate place in the RECORD.

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

The bill (S. 430) was read the third time and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMANENT TRUST FUNDS OF THE STATE OF NEW MEXICO.

(a) SHORT TITLE.—This Act may be cited as the ''New Mexico Statehood and Enabling Act Amendments of 1997''.

(b) INVESTMENT OF AND DISTRIBUTIONS FROM PERMANENT TRUST FUNDS.—The Act of June 20, 1910 (36 Stat. 557, chapter 310), is amended—

(1) in the proviso in the second paragraph of section 7, by striking ''the income therefrom only to be used'' and inserting ''distributions from which shall be made in accordance with the first paragraph of section 10 and shall be used'';

(2) in section 9, by striking ''the interest of which only shall be expended'' and inserting ''distributions from which shall be made in accordance with the first paragraph of section 10 and shall be expended''; and

(3) in the first paragraph of section 10, by adding at the end the following: ''The trust funds, including all interest, dividends, other income, and appreciation in the market value of assets of the funds shall be prudently invested on a total rate of return basis. Distributions from the trust funds shall be made as provided in Article 12, Section 7 of the Constitution of the State of New Mexico.''.

(c) CONSENT OF CONGRESS.—Congress consents to the amendments to the Constitution of the State of New Mexico proposed by Senate Joint Resolution 2 of the 42nd Legislature of the State of New Mexico, Second Session, 1996, entitled '' A Joint Resolution proposing amendments to Article 8, Section 10 and Article 12, Sections 2, 4 and 7 of the Constitution of New Mexico to protect the State's permanent funds against inflation by limiting distributions to a percentage of each fund's market value and by modifying certain investment restrictions to allow optimal diversification of investments'', approved by the voters of the State of New Mexico on November 5, 1996.

EXECUTIVE CALENDAR

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on the executive calendar: Calendar Nos. 76, 78 through 81, and 112.

I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid on the table, and that any statements relating to the nominations appear in the RECORD at this point, that the President be immediately notified of Senate's action, and that the Senate then return to legislative session.

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

The nominations were considered and confirmed as follows:

IN THE AIR FORCE

The following-named officer for appointment in the U.S. Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be general

Lt. Gen. George T. Babbitt, Jr., 0000

The following-named officer for appointment in the U.S. Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

to be lieutenant general

Maj. Gen. Tad J. Oelstrom, 0000

The following-named officer for appointment in the U.S. Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be general

Lt. Gen. Richard B. Myers, 0000

The following-named officer for appointment in the U.S. Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be general

Lt. Gen. Ralph E. Eberhart, 0000

The following-named officer for appointment in the U.S. Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John B. Hall, Jr., 0000

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force of the U.S. to the grade indicated under title 10, United States Code, section 624:

To be brigadier general

Col. Gary A. Ambrose, 0000
Col. Frank J. Anderson, Jr., 0000
Col. Thomas L. Baptiste, 0000
Col. Barry W. Barksdale, 0000
Col. Leroy Barnidge, Jr., 0000
Col. Randall K. Bigum, 0000
Col. Richard B. Bundy, 0000
Col. Sharla J. Cook, 0000
Col. Tommy F. Crawford, 0000
Col. Charles E. Croom, Jr., 0000
Col. Richard W. Davis, 0000
Col. Robert R. Dierker, 0000
Col. Jerry M. Drennen, 0000
Col. Carol C. Elliot, 0000
Col. Paul W. Essex, 0000
Col. Michael N. Farage, 0000
Col. Randall C. Gelwix, 0000
Col. James A. Hawkins, 0000
Col. Gary W. Heckman, 0000
Col. Hiram L. Jones, 0000
Col. Joseph E. Kelley, 0000
Col. Christopher A. Kelly, 0000
Col. Jeffrey B. Kohler, 0000
Col. Edward L. LaFountaine, 0000
Col. William J. Lake, 0000
Col. Dan L. Locker, 0000
Col. Teddie M. McFarland, 0000
Col. Michael C. McMahan, 0000
Col. Duncan J. McNabb, 0000
Col. Richard A. Mentemeyer, 0000
Col. James W. Morehouse, 0000
Col. Paul D. Nielsen, 0000
Col. Thomas A. Oriordan, 0000
Col. Bentley B. Rayburn, 0000
Col. Regner C. Rider, 0000
Col. Gary L. Salisbury, 0000
Col. Klaus O. Schafer, 0000
Col. Charles N. Simpson, 0000
Col. Andrew W. Smoak, 0000
Col. John M. Speigel, 0000
Col. Randall F. Starbuck, 0000
Col. Scott P. Van Cleef, 0000
Col. Glenn C. Waltman, 0000
Col. Craig P. Weston, 0000

Col. Michael P. Wiedemer, 0000
Col. Michael W. Wooley, 0000
Col. Bruce A. Wright, 0000

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order the Senate will return to legislative session.

ORDERS FOR THURSDAY, MAY 22, 1997

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m. on Thursday, May 22. I further ask unanimous consent that on Thursday, immediately following the prayer, the routine requests through the morning hour be granted, and the Senate then immediately resume consideration of Senate Concurrent Resolution 27, the first concurrent budget resolution.

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

PROGRAM

Mr. STEVENS. For the information of all Senators, at 9:30 a.m. tomorrow morning the Senate will resume consideration of the budget resolution with Senator MOSELEY-BRAUN being recognized to conclude debate on her amendment. There is one hour total for debate. Therefore, a rollcall is expected at approximately 10:30, or somewhere between 10:30 and 11 a.m., on Thursday in relation to the Moseley-Braun amendment.

In addition, a number of amendments still remain to the budget resolution. Therefore, Senators should expect votes throughout the day and into the night in order to complete action on the budget resolution.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. I ask unanimous consent that I be allowed to file an amendment at the desk.

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

AMENDMENT NO. 356

(Purpose: To express the Sense of the Senate on Social Security and retirement saving)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. ROBB] proposes an amendment numbered 356.

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

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

The amendment is as follows:

At the appropriate place, add the following:

SEC. . SENSE OF THE SENATE ON SOCIAL SECURITY AND RETIREMENT SAVING.

(a) FINDINGS.—The Senate finds that—

(1) Payroll taxes provide the basic funding source for Social Security, the most popular and successful government program in reducing the rate of poverty among the elderly;

(2) For a majority of Americans, the payroll tax burden imposed for Social Security is now greater than the income tax burden, making it difficult for many families to invest for their own retirement;

(3) Payroll taxes collected for Social Security currently exceed the amount necessary to fund Social Security benefits;

(4) Excess Social Security revenues finance current consumption rater than being saved and invested for the benefit of today's employees, denying them an opportunity to share in the benefits of the increasing value of capital in a global economy;

(5) Increased personal savings is necessary to provide secure retirements and enhance future productivity and economic growth;

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

(1) The Senate will consider using the amounts currently reserved for tax cuts for the individuals to use a portion of their Social Security payroll tax contribution for personal retirement accounts.

Mr. STEVENS. Mr. President, was this cleared with the Budget Committee to make it eligible this evening? It is being filed, but it qualifies now under the budget resolution. I have no objection if that is the case.

Mr. ROBB. Yes, Mr. President, that is the case.

I yield the floor.

TRIBUTE TO BARBARA ANDREWS-MEE

Mr. STEVENS. Mr. President, we are fortunate when our working associates are knowledgeable, efficient, responsible and willing to go the extra mile.

But none of those attributes mean much over the long haul until you add loyalty to the mix.

For half of my life—and two-thirds of hers—Barbara Andrews-Mee has been my boss—as a lawyer, a member of our state legislature and as a U.S. Senator.

Her talents are many. But, when I've been asked, ''What is Barb's best characteristic?'' I say, ''loyalty.''

That means more to me than any of the help she's given me and the people of Alaska over more than three decades: work above and beyond the call of duty.

Through our 36 years of working together, Barb has solved problems for countless Alaskans.

She's been to hundreds—maybe even thousands—of meetings of civic and community groups to keep her finger on the pulse, to help keep me informed.

A tireless supporter of our military men and women, she has attended ceremonies on bases and posts, on submarines and on her own ship, the U.S.S. *Zephyr*, a PC8 coastal patrol craft, which she christened.

Barb has watched parades and air shows and presentations of colors and speeches of all types, and worked to ensure that military people who serve in Alaska are treated with respect as our neighbors and constituents.

Barb, can on request, put a file in my hand that is sometimes decades old. She can always locate them.

She's been the institutional memory for the young Alaskans who come to work with us, fresh out of school.

And, after they've served on the Senate payroll and move on, they come back to see Barb.

My grandmother always told me, ''Just remember, dynamite comes in small packages.''

That's Barb.

She knows when to use her Norwegian stubbornness or her Alaskan toughness to get a job done.

She also knows how to set me straight, and has done it many times.

Many a morning Barb has risen long before dawn, or many a dark night, well after others in Anchorage have gone to bed, she has traveled to Elmendorf Air Force Base to greet, in my name, dignitaries whose planes are making a brief stopover.

She gives our visitors an Alaskan gift package—some smoked salmon, crackers, and candy. And every time afterward, the visitors say, ''Remember me to Barb.''

She's met my planes every hour of the day and night when I come home.

And she's made sure I made my flights back to Washington, DC, no matter how tight the time frame, possibly testing the speed limits along the way, but always getting me there.

One year I came home 36 times. She met me every time but one. When I got there that night, having left the Senate at 4 p.m., battled traffic and got the 5:30 plane and arrived in Anchorage about 11:30 p.m., there was no one there.

I waited, then called Barb. ''What's up?'' I said to my sleepy friend. ''What's my schedule?''

''You aren't here, chief,'' Barb said. ''I won't tell anyone you're here if you won't tell anyone I'm not there!''

I went fishing and then went back to DC.

We've shared much more than a working relationship through the years, Mr. President. Barb's friendship has meant much to me and my family.

In our worst days, when I lost my wife Ann who was Barb's good friend, Barb did everything possible to ease our pain, despite her own sense of loss.

Barb's quick with the quip, and usually has a great joke to share when it looks like our spirits are low.

Along with her job, and her sons, her daughter-in-law, and grandchildren, and her husband, Vince, Barb has another special love.

It's golf.

The snow has hardly disappeared from our Alaska golf courses before Barb is on the links.

With Vince, she packs up her clubs and heads for sunny climes whenever there's an opportunity.

Like everything else she's worked on, Barb continues to perfect her golf game.

We may not see her on the L.P.G.A. circuit, but she's going to give those other lady golfers a run for their money.

Mr. President, it's impossible to sum up 36 years of association in one small tribute.

Mike Doogan, a columnist for the Anchorage Daily News, in a farewell column about Barb's years with us, quoted her as saying, ''It's been a great ride.''

You bet it has.

But more than all of her other great attributes, Barb's loyalty has sustained me, comforted me, inspired me, and helped me to overcome tough situations.

She may not be coming into my Anchorage office every day, anymore. She may be soaking up sunshine at her Arizona getaway, or on a Hawaiian Island or a Florida Key.

But no matter where Barb is, she knows she can count on me to be her friend for all time.

There is no way to thank Barb, Mr. President. The words ''Thank you'' are too small to convey the depth and breadth and length of the gratitude I have for all of the wonderful years Barb Andrews-Mee has shared with me, with my family, and with Alaskans.

We'll miss our day-to-day contact, but we'll always know we have a loyal friend.

Thank you, Mr. President.

I ask to have printed in the RECORD Mike Doogan's Anchorage Daily News column of Sunday, May 18.

The column follows:

[From the Anchorage Daily News, May 18, 1997]

ANDREWS-MEE LEAVES'EM LAUGHING, AND GRATEFUL AFTER 35 YEARS

(By Mike Doogan)

You have to say this for Barbara Andrews—Mee: She's no quitter. She's worked for the same fellow for 35 years.

''I have been with Ted Stevens longer than I have been with three husbands,'' she said last week with a characteristic laugh. ''It's been a great ride.''

The ride end this month, when Andrews-Mee retires as manager of U.S. Sen. Ted Stevens' Anchorage office.

Resplendent in a red plaid blazer, Andrews-Mee sat in Stevens' big office in the federal building and talked about her time with Alaska's senator-for-life. Her own office, next door, was stacked with files she's trying to clean out. Her desk, which once belonged to Stevens' predecessor, Bob Bartlett, was a jumble of notes and letters. Propped atop a filing cabinet was a big, black-and-white photo of a younger Stevens, looking like his dog had just died, with a hand-lettered caption that read: Whoever said it would be easy?

Maybe it hasn't all been easy, but for Andrews-Mee it seems to have been fun. The woman is a pistol. Here's just a sample:

On her height (she's 5 feet tall): ''I tell people used to be 6-foot-2, and then I went to work for Stevens.''

On her age (she's 59): ''Jeez, that's hell, when you to have to admit your kid's going to turn 40.''

On why she never ran for office herself: ''Oh, no, my skin is too think. Like the fellow who goes to a football game and when they go into a huddle, he thinks they're talking about him?''

On the fancy new computer she has at home: ''We've got the whole thing. Don't get off at Chicago if you're going to New York.''

On her plans for retirement: ''My god, I am my mother. You know how you just become your parents? My mother was a holy terror 89 when she died and still dying her hair red. I'm not going to sit home and watch soaps.''

Instead, she said, she's going to play golf—she's still trying to break 100—serve on the Defense Advisory Commission on Women in the Services, and do volunteer work.

''It's payback time,'' she said, ''my country and my state and my community.''

Andrews-Mee went to work for Stevens when he was just another lawyer with political ambitions. He was first elected to the state Legislature in 1962, before there was the oil money to pay legislative staff.

''In those days, Ted would find somebody going to Anchorage and give them three, four Dictaphone belts, and I'd type them up and send them back,'' she said. ''And that's how we did legislative mail.''

Stevens' political success since then owes a lot to Andrews-Mee. His office has a longstanding reputation for solving constituents' problems, whether or not the constituent is a Stevens supporter.

''When somebody tells me, 'I voted for Ted,' I say, ''That great, but we represent everybody,'' she said.

That attitude is a big part of the reason so many Democrats enter the voting booth every six years and quietly cast a ballot for the Republican. One way or another, Andrews-Mee has made her boss a lot of friends.

So it seems appropriate, out of respect for the job she's done, to let Andrews-Mee say she's been happy to do that for Stevens, to let her sneak in one last plug for her boss.

''He's done a great job.'' she said. ''Why else would I stay with somebody for 35 years.''

ORDER FOR ADJOURNMENT

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in adjournment following the remarks of the Senator from North Dakota.

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

The Senator from North Dakota.

CONCURRENT RESOLUTION ON THE BUDGET

Mr. CONRAD. I thank the Chair. I especially thank the Chair for his courtesy of remaining behind to listen as I present my remarks on the budget agreement. I apologize to him because I have been seeking to do this as we have gone through the afternoon and evening. But other business intervened, and it was in the best interest of the body that we allow those amendments to be taken up and considered. But I do appreciate the Chair's indulgence.

Mr. President, as a Member of the Finance and Budget Committees, I rise to support the budget agreement. I believe it is a modest step—I want to emphasize ''modest''—step in the right direction. Before I discuss its provisions I would like to remind my colleagues of why we are in a position to consider such a budget agreement. We are here because Democrats made very tough choices in 1993. In 1993, we were in the majority and we had the burden of coming up with a budget resolution. We made a series of decisions, including the need to move toward a balanced budget and to do it as quickly as possible. And as a result of that agreement, the deficit has been reduced and reduced dramatically. I remind my colleagues that in 1992 the deficit was $290 billion. This year CBO is now telling us the deficit will be $67 billion, a 77 percent reduction.

If we look at the deficit in a different way, as a percentage of the size of our economy, we can see that the deficit has also declined even more dramatically. In this case, we look at the deficit in terms of a percentage of our gross domestic product, or the size of our national economy, and we can see that we have gone from a deficit of just under 5 percent to a deficit of just under 1 percent.

These reductions in the deficit took pressure off interest rates and kicked off four years of strong economic growth. The results are that the United States economy has created 12 million new jobs since that 1993 budget deal. We are the biggest job generator in the industrialized world.

But the good news doesn't end there. Not only have we seen tremendous job generation in the United States and strong economic growth, but we have also seen remarkable results in terms of inflation. As you can see, inflation is now at its lowest level in 31 years. Inflation is now dramatically reduced in this country—we have an inflation rate of under three percent. Unemployment has similarly seen a dramatic decline. Unemployment is at its lowest level in 24 years. This chart shows what has happened to the unemployment rate. It indicates that we have got the lowest level since 1973; again dramatic economic results in part because of that 1993 budget agreement. That 1993 budget agreement cut spending, and also raised income taxes on the wealthiest one percent in this country.

Our friends on the other side of the aisle said if we passed that agreement it would increase unemployment, it would increase the deficit, and it would crater the economy. They were wrong. That economic plan has worked and worked remarkably well. Not only have we seen terrific results in terms of unemployment and inflation, look at what has happened to real business fixed investment. Real business fixed investment has been growing at an annual rate of 9 percent for the last four years.

You can see that since the 1993 agreement real business fixed investment has taken off. Not only do we see good results there—let's look at the misery index—we used to talk a lot about the misery index. That is the combined rate of unemployment and inflation. The misery index is now at its lowest

level since 1968. That is the lowest level in almost 30 years.

Mr. President, incomes are going up, and poverty is going down.

This chart speaks to some of the really remarkable economic results that we have gotten ever since the 1993 budget agreement. At that time we put in place a new economic plan. Since that time we have seen median household income up the largest increase in a decade. We have seen the largest decline in income inequality in 27 years. We see nearly 2 million fewer people in poverty, the largest drop in the poverty rate in this country in 27 years. The poverty rate for the elderly is at 10.5 percent, its lowest level ever, and we've seen the biggest drop in child poverty in 20 years. Those are remarkable economic results by any standard.

Mr. President, I wanted to put in some context what the 1993 budget agreement meant in terms of deficit reduction compared to the agreement that we are working on now. I think it tells quite a story.

This chart shows the 1997 budget agreement was possible only with the 1993 deficit savings. The purple area shows the savings from the 1993 deficit reduction package and the economic growth that it made possible. The 1993 budget agreement reduced the deficit from 1994 to 2002 by $2 trillion. The savings in the 1997 package during that period will be $200 billion, or one-tenth as much.

Mr. President, the only reason we are able to have an agreement like the one that is before us is because of what was done in 1993.

But when I look at the 1997 agreement I largely see a missed opportunity. Eighty percent of the American people in the polls say they don't believe this new agreement is going to balance the budget. I regret to say that 80 percent of the American people are right. This agreement does not balance the budget.

Unfortunately, as this chart shows, if you go out to the year 2002, what you find is not a zero deficit but a $109 billion deficit. The reason for that difference is, of course, that the only way they are able to claim balance as a result of this agreement is that they are counting all of the Social Security trust fund surpluses.

That is not a balanced budget. That is not a balanced budget by our own rules. If you look in the concurrent resolution, the document that is before us, and you turn to the page that reports what the deficit will be in the year 2002, what you find is not a zero. What you find on page 4—I direct my colleagues to this page. I think it might be a revelation to those who are saying that this is a balanced budget agreement. If this is a balanced budget agreement, why does it say on page 4 that the deficit in fiscal year 2002 is $108.7 billion? Why does it say that? Why does it say there is a deficit if the budget is balanced? Of course, the answer is the budget is not balanced.

It is remarkable to me that our colleagues report to the American people that this is a balanced budget agreement and the press reports it when the document that we are considering here, the budget resolution, shows clearly the budget is not balanced in 2002. There is almost a $109 billion deficit.

The other thing that troubles me is, if you look at the budget line, as I indicated, the deficit was $290 billion, and the unified deficit in 1992 has come down to $67 billion this year, but for the next three years the deficit is going to be higher than it is this year.

Here we are in the midst of great economic times and under this budget agreement the deficit is going up. How do we justify that? It makes no sense. In good economic times, we ought to be steadily reducing the deficit. We shouldn't let the deficit go up. But that is what this budget agreement does.

And then, of course, on a unified basis they say it is balanced. Unified means they are counting all of the trust funds. Of course, that is the problem. We should not count the Social Security trust funds. No company would be able to do that. No company would be able to take the retirement funds of its employees and throw them into the pot and call it a balanced budget. But that is what we are doing here.

I say to the President and those who might be listening, that is a mistake. We ought not to be counting these trust fund surpluses. This is really not a balanced budget. No company could claim it. If they did, they would be in violation of Federal law, and they would be headed for a Federal institution, but it would not be the United States Congress. They would be headed to Federal jail. And yet we blithely call this a balanced budget.

Of most concern to me is that budget negotiators failed to correct the upward bias that currently exists in the Consumer Price Index. As the occupant of the Chair knows, we use the Consumer Price Index to adjust for the change in the cost of living in our revenue system and in all of our spending programs. That is an appropriate thing to do. It is appropriate to adjust for the cost of living, but the overwhelming scientific evidence is that we are overadjusting.

In fact, the Senate Finance Committee appointed a bipartisan commission that was headed by Michael Boskin, who was the head of the economic advisers in the Bush administration. The Boskin Commission came back to us and said the overstatement is about 1 percent a year. One percent does not sound like much but over time it makes a big difference. A 1 percent overstatement in the Consumer Price Index means $1 trillion in debt of the United States over the next 12 years. That is a mistake we should not allow to continue.

I also am concerned that some of the economic assumptions in this plan are also highly suspect. CBO's last minute revenue adjustment of $45 billion a year may be credible for the first few years, but its credibility from the years 1999 to 2007 is unclear.

In addition, the balanced budget fiscal dividend assumes lower interest rates will result from balancing the budget with a credible deficit reduction plan. The problem is that is not what most people are considering in this country. There is very little debate about whether interest rates are going to be reduced. The question is whether interest rates are going to be increased.

Mr. President, ultimately each of us must decide if this plan is worthy of support.

In deciding how to vote on this package, a key question for me was whether or not passage of this package was better policy than doing nothing at all. I believe it is a fairly close call.

Despite all of its shortcomings, the 1997 budget deal does contain some good policies, including about $200 billion of net deficit reduction. From 1998 on, the deficit declines steadily as a percentage of gross domestic product. Unfortunately, it ought to be declining from this year on, not starting only in 1998.

In addition, debt subject to limit—and this is the final chart I will show—debt subject to limit as a percentage of GDP also declines from about 68 percent in 1998 to 66 percent by the year 2002. Federal debt subject to limit declines from 1997 to 2002. Finally, the incredible growth of the debt has been stopped. It was stopped largely because of the 1993 budget agreement, but this budget package will continue to hold down the growth of the debt, and that is critically important to our economic future.

Finally, the plan protects discretionary investments for programs like education and transportation, provides health insurance for 5 million insured children and helps people move from welfare to work. The plan also preserves the solvency of the Medicare Part A Trust Fund through the year 2007. And the plan includes targeted tax relief for working Americans. The education tax cuts in the package will help provide educational opportunity, and reform of the estate tax which has been unchanged for 10 years will help farm families and small business owners keep their businesses and their farming operations.

Finally, let me say, even though I favor a far more ambitious deficit reduction package, I view this agreement as a step in the right direction. I will support this budget agreement and work to improve it throughout the budget process this year.

Mr. President, I thank the indulgence of the Chair and yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate is adjourned.

Thereupon, at 10:50 p.m., the Senate adjourned until Thursday, May 22, 1997, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 21, 1997:

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. GEORGE T. BABBITT, JR., 0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. TAD J. OELSTROM, 0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. RICHARD B. MYERS, 0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. RALPH E. EBERHART, 0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN B. HALL, JR., 0000

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE REGULAR AIR FORCE OF THE UNITED STATES TO THE GRADE INDICATED UNDER THE TITLE 10, UNITED STATES CODE, SECTION 624:

To be brigadier general

COL. GARY A. AMBROSE, 0000
COL. FRANK J. ANDERSON, JR., 0000
COL. THOMAS L. BAPTISTE, 0000
COL. BARRY W. BARKSDALE, 0000
COL. LEROY BARNIDGE, JR., 0000
COL. RANDALL K. BIGUM, 0000
COL. RICHARD B. BUNDY, 0000
COL. SHARLA J. COOK, 0000
COL. TOMMY F. CRAWFORD, 0000
COL. CHARLES E. CROOM, JR., 0000
COL. RICHARD W. DAVIS, 0000
COL. ROBERT R. DIERKER, 0000
COL. JERRY M. DRENNEN, 0000
COL. CAROL C. ELLIOT, 0000
COL. PAUL W. ESSEX, 0000
COL. MICHAEL N. FARAGE, 0000
COL. RANDAL C. GELWIX, 0000
COL. JAMES A. HAWKINS, 0000
COL. GARY W. HECKMAN, 0000
COL. HIRAM L. JONES, 0000
COL. JOSEPH E. KELLEY, 0000
COL. CHRISTOPHER A. KELLY, 0000
COL. JEFFREY B. KOHLER, 0000
COL. EDWARD L. LA FOUNTAINE, 0000
COL. WILLIAM J. LAKE, 0000
COL. DAN L. LOCKER, 0000
COL. TEDDIE M. MC FARLAND, 0000
COL. MICHAEL C. MC MAHAN, 0000
COL. DUNCAN J. MC NABB, 0000
COL. RICHARD A. MENTEMEYER, 0000
COL. JAMES W. MOREHOUSE, 0000
COL. PAUL D. NIELSEN, 0000
COL. THOMAS A. O RIORDAN, 0000
COL. BENTLEY B. RAYBURN, 0000
COL. REGNER C. RIDER, 0000
COL. GARY L. SALISBURY, 0000
COL. KLAUS O. SCHAFER, 0000
COL. CHARLES N. SIMPSON, 0000
COL. ANDREW W. SMOAK, 0000
COL. JOHN M. SPEIGEL, 0000
COL. RANDALL F. STARBUCK, 0000
COL. SCOTT P. VAN CLEEF, 0000
COL. GLENN C. WALTMAN, 0000
COL. CRAIG P. WESTON, 0000
COL. MICHAEL P. WIEDEMER, 0000
COL. MICHAEL W. WOOLEY, 0000
COL. BRUCE A. WRIGHT, 0000