It will be an invisible tax on the privately insured.

Some Republicans want to impose this invisible tax to pay for their visible tax cut for the wealthy.

The budget figures and the rate of health care inflation show that Medicare can be preserved without massive cuts of the kind some are considering. They only reason they need to cut $300 billion from Medicare is because they plan to give away $354 billion at the same time through a tax cut for the wealthy.

Americans will not be fooled by talk of bipartisan commissions. They will not buy the ruse, where their retired parents' health care is cut way back and their own health care costs are exacerbated to quietly provide tax breaks to the wealthiest people in the country.

If Medicare needs reform, it should be reformed in a way that ensures seniors will get the care they have been promised, and it should be done in the context of health care reform. Medicare should not be cut blindly to achieve false savings—or worse, to fund a tax cut for those who need it least.

The first step in this process must be for the majority to do what they already should have done—propose a budget.

## SELLING THE POWER MARKETING ADMINISTRATIONS IS BAD POLICY

Mr. DASCHLE. Mr. President, the administration's proposal to sell three of the Nation's five power marketing administrations includes the Western Area Power Administration, which markets power from the main stem dams on the Missouri River to South Dakota utilities and cooperatives.

As others have indicated, the sale of the power marketing administrations or PMA's would result in an expected one-time savings of $3.7 billion. However, basing the decision on that fact alone is a case of false economy.

PMA's return far more money to the Federal Government each year than they cost to operate. In 1995, for example, the Western Area Power Administration cost $225.1 million to operate, but returned $378.5 million to the Treasury. Other power marketing administrations showed even greater returns. And, beyond that, the sale is likely, ultimately, to increase electricity rates for consumers by up to 300 percent in some areas.

This makes no sense.

Obviously, we need to reduce the budget deficit, and Democrats are ready to do that. But we should not do it indiscriminately. Before we start cutting Government programs, we have a responsibility to evaluate their utility and consider the consequences.

I am concerned that, in proposing this sale, proponents have fallen prey to the allure of short-term savings and missed the larger point that power marketing administrations are good examples of exactly how Government should work.

It has been said that the purpose of Government is to do those things that are essential but which we cannot do as individuals. That is exactly what the power marketing administrations do. They bring affordable electricity to communities that otherwise might not be able to afford it. And they do it cost-effectively.

I have heard the claims that the power marketing administrations can be sold without causing substantial rate increases. Frankly, I'm skeptical of these claims.

In South Dakota, the Western Area Power Administration, or WAPA, markets power from the main stem dams along the Missouri River and has for years ensured a consistent and affordable supply of electricity. The program pays for itself.

If WAPA and the other PMA's are sold, rates are likely to increase substantially. That is because those with the deepest pockets—those in the best position to purchase the assets—will be out-of-State financial interests, whose primary objective will be to maximize their return on investment.

Like any business, the buyers of PMA's will want to maximize their bottom line—profits. And electric rates for existing Federal power customers will rise as a result. Customers in South Dakota and other States now served will pay much higher costs for power, with much of the money going to out-of-State financial interests who bankroll these purchases.

Farming, ranching, and small businesses dominate the prairie economy, providing modest incomes for most South Dakotans. The economic fate of our State or any other should not be placed in the hands of those whose only interest is in making higher profits.

As you would expect, the proposal to sell the power marketing administrations is unpopular in South Dakota and, I believe, in many other States as well.

I have received more than 10,000 letters from people opposed to the sale—and only two letters in favor of it. Ten thousand to two.

I believe that people generally know what is best for themselves. And when they speak this clearly, in such overwhelming numbers, Congress ought to listen.

And let there be no mistake. The sale of the power marketing administrations will have a negative effect far beyond the economy of South Dakota. PMA's sell power in 34 States across the country. I urge every Member of this body to take a long look at the potential impacts of this sale on customers in his or her State. Read the fine print in this proposal, and I believe you will see the folly in this idea.

In conclusion, Mr. President, PMA's work. Instead of selling them off, we should be holding them up as an example of how the Federal Government can work for the people and the national economy.

PMA's provide affordable power to States like South Dakota without any subsidy. The Federal Government gets a return on its investment. Customers have access to reliable, affordable electricity.

What more can one ask of a program?

Like other States, South Dakota sacrificed great tracts of prime wildlife habitat and farmland so that dams could be constructed. Selling the PMA's now would deprive us of equitable compensation for those sacrifices. Given that, and given the almost certain rate increases that would result from the sale, as well as the likelihood of out-of-State ownership and, thus, the export of State resources, the sale of the PMA's is not a policy that I can support. I urge my colleagues to join me in opposing this ill-conceived sale.

Mr. President, I yield the floor and, as I understand it, we are now going into recess.

## RECESS UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9:30 a.m., Thursday, May 4, 1995.

Thereupon, the Senate, at 7:28 p.m., recessed until Thursday, May 4, 1995, at 9:30 a.m.

## NOMINATION

Executive nomination received by the Senate May 3, 1995:

### DEPARTMENT OF STATE

TIMOTHY MICHAEL CARNEY, OF WASHINGTON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SUDAN.

## CONFIRMATION

Executive nomination confirmed by the Senate May 3, 1995:

### COMMUNICATIONS SATELLITE CORPORATION

CHARLES T. MANATT, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMUNICATIONS SATELLITE CORPORATION UNTIL THE DATE OF THE ANNUAL MEETING OF THE CORPORATION IN 1997.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.