OPPOSING THE ELIMINATION OF THE DEPARTMENT OF EDUCATION

Mr. KENNEDY. Mr. President, we now have two budget proposals, one from the House of Representatives and one from the Senate. Both claim to balance the budget to ensure a better future for our children, to provide them with more and better opportunities than we now have. Nothing could be further from the truth, if Congress accepts the House Republican proposal to abolish the Department of Education.

You do not turn your back on education in the name of ensuring a better future for our children. You do not turn your back on education to pay for tax cuts for the wealthiest Americans. You do not turn your back on schoolchildren to pay for tax cuts for the wealthiest Americans. You do not turn your back on college students to pay for tax cuts for the wealthiest Americans. And you do not turn your back on working families to pay for tax cuts for the wealthiest Americans.

Education is critical to the Nation's future. It deserves a seat at the Cabinet table and at the President's right hand when critical decisions are being made. Children do not vote, children cannot hire lobbyists, but a Cabinet officer can fight for them. It is especially objectionable that the Department of Education would be abolished in order to pay for a tax cut for the wealthiest individuals and corporations in our country.

What does the proposal to abolish the Department of Education say about Republican priorities? What kind of Nation are we? What kind of Congress are we? Last Congress, Republicans and Democrats stood together as the Education Congress. Are we now the anti-education Congress?

Last Congress, Democrats and Republicans worked together to reform the Head Start Program. Republicans and Democrats worked to bring about changes in the chapter 1 program. We worked together to adopt the Goals 2000 program, the School-to-Work Program, and the direct loan program. These programs were all passed with Republicans and Democrats working together. It truly was an education Congress.

Now we have the proposal to eliminate the Department of Education which is nothing more than a political stunt. It would save less than 2 percent of the Federal investment in education. These budget proposals will not eliminate bureaucracy in education. What these cuts will do is jeopardize billions of dollars in aid to education which go directly to schools and colleges and students to give them a greater opportunity to learn and to succeed.

Mr. President, I have a list of the various education programs targeted by the House Republican budget for elimination. Outlined in these programs are the safe and drug free school State grants and the Safe and Drug Free School National Program. These are the programs that have been developed to try and help local school districts deal with the problems of substance abuse and violence in their schools.

These programs are all targeted for elimination.

Also on the list for elimination is assistance for the magnet schools which have been developed to try to help the public schools to develop magnet concepts to attract the best of the young people in public schools, to give them some advantages and different specialties so they can advance in their educational competence. That program is effectively dropped out.

The dropout prevention programs, demonstration programs which are targeted at some 400,000 young people who drop out of school every year. They are the principal cause of violence in our society and the principal individuals that have the challenges with teenage pregnancy. We have a small program that is having some positive effects, and it is targeted to be eliminated.

The charter school programs. Last year, when we were considering the education reforms, how many of our Republican colleagues said what we need is break-the-mold public schools, we need to permit the States to move ahead with new charter schools? We included charter schools funding in our Goals 2000 proposals. A number of different States are experimenting with those programs. There are funds in there to help and assist local school communities that are trying to develop charter schools. Those programs effectively have been emasculated.

All of the education technology programs. I was listening to my friend and colleague, the Senator from Ohio, talking about the importance of new technologies to fight crime. We heard important testimony today in our Immigration Committee about how we are trying to utilize the best in technology to try to bring sanity into the whole area of employment and the exploitation of illegal immigrants and deal with the problems of the discrimination that exist against Americans in employment, using the best of technology. How is it that we are trying to do the best in technology when we are trying to deal with immigration and we are trying to use the best of technology in talking about the problems of crime? Here we have a modest program to try to bring the latest technology into the public schools of this country, and it is targeted for elimination under the budget recommendations of the House.

In vocational education the tech-prep educational program is the best work-based learning program that has been developed in this country by the private sector and the public sector working together. It is effectively emasculated. It is an effective program. Many of our colleagues know about model tech-prep programs that have taken place in their States. They are small programs, but they really have the pattern for the development of future training programs and partnerships between the public and private sectors. They are effectively emasculated.

The efforts we made last year on the School-to-Work Program which had bipartisan support, and which Republican Governor Thompson testified on before our Human Resource Committee as being an extremely effective program in helping to move many of the young people that are not going on to 4-year colleges or 2-year colleges or post-high-school education and help them gain employment. Sixty-five percent of all the high school students that graduate do not go on to advanced education. They are the ones who are having the difficulty in getting decent jobs. They are the ones who have seen their real income decline over the period of the last 15 to 18 years. They are the ones who are losing confidence in the whole education system and the democratic process and the free enterprise system.

One of the most innovative and creative programs has been the School-to-Work Program, which helps move these young people, in a thoughtful way, in a way that has the strong support and initiation of the private sector, from school right into employment and future job opportunities with good and decent job programs. It has broad bipartisan support and is supported by Republican Governor Thompson, who was down testifying before us, as being one of the creative programs to try to help reach those young people that are not going on to college. Nonetheless, it is a modest program that was started last year. And that program is effectively eliminated.

Mr. President, I could go on. The Star Schools Program brings distance learning into many of the school districts of this country. Many of the school districts have had tightening budgets, and they are not able to get that science teacher, that language teacher, that chemistry teacher, that biology teacher, because of the demographics of their particular community have decreased, school budgets have gone down. But what we have been able to do with the Star Schools Program is to beam into those schools the best educator, the best physics teacher, the best history teacher, the best language teacher, for the very bright students in those schools who otherwise would be unchallenged in terms of their ability to compete in science and other kinds of technology, which this Nation needs in such desperate amounts. A modest program. It is $30 million, and it is affecting thousands of students, not just in urban areas but in rural areas of the country. The program MCET, in my part of the country, effectively provides distance learning throughout New England. Its greatest supporters are in the rural parts of Maine, New Hampshire, and Vermont—in the rural communities.

You have an exciting program in South Carolina. I have attended programs in Mississippi that have reached out into rural areas all through the South that are teaching children foreign languages, physics, advanced mathematics, and a number of other programs where they do not have those kinds of teachers. It is a modest program that depends upon local support, local matching funds, and it has been an effective program in every kind of evaluation, and it is effectively eliminated and cut.

So, Mr. President, these are matters which we are going to have to have a debate and discussion about when we have the opportunity to debate this matter here on the floor of the U.S. Senate later and also when that conference report comes out.

I urge those who are committed to the cause of education to take a little time and review in detail the assault on many of the programs that have been outlined in the House budget proposal, and a number of those which have been included in the Senate proposal. We have seen the basic assault on the programs which provide for an interest subsidy students while they are in school. That is a program that has been in effect, and that program is effectively being eliminated. In my State of Massachusetts, 70 percent of the students that go to higher education get some form of help, of scholarship help or assistance; 75 to 78 percent of all the scholarship help and assistance is provided by the Federal Government.

The cuts in school-to-work programs proposed in the Republican budget would deny more funds for working families' children in my State of Massachusetts than is being provided by the State today. This is not an issue where the State is going to pick up the slack. I hope that during this debate we will hear from our colleagues in other States and that they will tell us what State has been devoting more and more to higher education for their children. It is not true in Massachusetts.

Tuition and fees in public education have increased dramatically. And that has been true in almost State in the country. And the people that qualify for the student assistance programs are, by definition, the sons and daughters of working families. This is a program that has been tried and tested and true.

I applauded the President of the United States when he talked about trying to provide at least some tuition deduction for working families, up to $10,000, because of the increases in tuition which have taken place in this country. I myself believe we ought to consider permitting the repayment of interest on student loans to be deductible under the Tax Code. Why do we permit the interest that wealthy individuals pay on their second homes to be deductible when we will not permit students to deduct interest payments on their student loans?

That says something about national priorities. Instead of moving in a direction to try and help and assist the sons and daughters of working families, we are moving completely in the opposite direction.

Mr. President, there are many features of those programs which are troublesome. I have mentioned just a few. We are committed to try and consolidate various programs. We made some progress last year in the areas of education. We are doing so now in the training programs. We are working toward those objectives in the Labor and Human Resources Committee.

We welcome the opportunity to do that with our colleagues, to eliminate unnecessary bureaucracy and the overlapping of various programs. I think that makes sense. We welcome the chance to do that.

But kind of wholesale assault on education programs that has been outlined today in the budget by the House of Representatives and the significant undermining of student assistance programs in the Senate, I find to be troublesome and I hope that when the time comes that we will reject those particular areas.

The Republicans claim that these budgets are to give children a better future. Will children have a better future if we revoke our commitment to raise education standards? Will children have a better future if we slash funds to help them learn to read, write, and do math and science? Will children have a better future if we abolish funds to modernize all aspects of education, so that we no longer have to prepare students for the 21st century in 19th-century classrooms. Will children have a better future if the Federal Government slashes $20 billion from student aid, so that vast numbers of able young men and women can no longer afford to go to college? The answer to all these questions is no—no, no, no, no.

The American people agree. Two out of three Americans oppose a balanced budget if it means cutting Social Security, Medicare, or education. Eighty-nine percent of Americans believe a Federal Department of Education is necessary. Sixty-four percent of Americans would increase spending on public schools if they had the opportunity to write the budget.

The American people see what our Republican colleagues refuse to see in their shortsighted budget proposals. Students, families, and the country itself will suffer if we abandon our commitment to education.

Our Republican colleagues say that they want to balance the budget so as not to bury the next generation in debt. Why then are they so willing to bury this generation of students in debt?

The question answers itself. Congress and the Nation should say a resounding no to these irresponsible anti-education proposals.

Mr. CHAFEE. I wonder if the senior Senator from Massachusetts would yield for a question?

Mr. KENNEDY. I yield.

Mr. CHAFEE. Mr. President, here is the problem I find: We have a terrible deficit of $200 billion which every objective group says will rise to over $300 billion and close to $400 billion by the end of the century.

The Republicans have come up with a program that reaches a balanced budget not next year, not the year after, but 7 years away, which seems to me that would be a reasonable timetable to arrive at a situation where we are no longer sending the bills to our children.

Now, the proposal that has emerged from the Republican Budget Committee has many harsh provisions to it. When we are reducing expenditures there are going to be difficulties, as we all recognize and as the Senator has ably pointed out.

It affects this, affects that, affects things I am interested in, that the Senator is interested in, that the Presiding Officer is interested in. There is not one that will not find things we do not like.

The question is, what is the alternative? I do not believe the answer is to say stop giving those tax cuts to rich people, because in the Domenici budget there are no tax cuts. Never mind the rich people. There are no tax cuts at all.

So he has presented a budget which I know we will all find terribly challenging and difficult and dissatisfying. What is the alternative? Maybe the answer is to increase taxes. I do not believe that we can continue on the path we are, which consists of sending the bills to our children. We live high on the hog, and send the bill to our children and grandchildren. I think that is immoral.

If we do not like the proposal, what is a better one? I am not trying to put the Senator on the spot.

Mr. KENNEDY. That is fine.

Mr. CHAFEE. This is a tremendous challenge we all face.

Mr. KENNEDY. I appreciate the Senator's question.

Let me just outline my response very quickly.

First of all, I fail to understand how we are saving the future generations from indebtedness when we are increasing so significantly—about 25 or 30 percent—the debt of students going on to higher education, which is the part I have been talking about.

Let me answer it in this way. First of all, if the Senator is prepared to reject what the majority leader has stated, and that is, that his desire to see the set-asides, the savings of $170 billion which have been included in the Republican budget in the House and the Senate of the United States, that can be used for future tax cuts, if we are going to count those in or count those out, do we say that the majority leader is for

the tax cut and Senator GRAMM is for the tax cut?

I listened to the Senator from Rhode Island indicate that he is not. That, I think, is certainly a more responsible position. These cuts are coming at a time when one is fair enough to juxtapose what has been included in the House budget cuts as well as in the Senate cuts and the saving programs.

To make the judgment that we are cutting back on a number of the programs, particularly as I have mentioned here in education, and setting aside that $170 billion which can be used for tax cuts.

Second, there is no review of the fastest growing contributor to the size of the deficit, which is our tax expenditures. I indicated during the time of the line-item veto, which I supported, that I wanted to see the line-item veto go on this for tax expenditures. We are not reviewing tax expenditures. There is no similar kind of review by the Budget Committee to review the various kinds of subsidies that are out there that are going, in many instances, to some of the most successful companies and corporations. There is no review by the Budget Committee to review those and to find out which ones make sense, which ones do not make sense, and to do the same kinds of cuts that we have seen illustrated by the kinds of cuts that have taken place in this budget, identifying program after program after program after program after program that deals with education.

I think that the Senator's position in terms of fairness and judgment and in terms of the budget would be enhanced if he said, ''Let's take a look at $460 billion in tax expenditures and review those and find out which ones are fair and which ones are not.''

I think that is a position. Finally, let me say that I do think, and I think the Senator would agree with me, we are never going to get at the principal contributor to expanding deficits, which is the health care issue, and the escalations of health care costs both now in terms of medical care which is different from where it was from the mid-1980's to 1990, but nonetheless has doubled virtually the cost of living in terms of where we are for other goods and services.

We are never going to really deal with that increase by just cutting. We are going to have to deal with the escalation of health care costs by looking at the total health care system.

Social Security and Medicaid represent one-quarter of our health care expenditures. If we are going to have some kind of a discipline on that one-quarter, and we will have cutbacks as being included, then we will have a reduction of services without giving some kind of additional sense of reform of health care.

The Senator knows very well that treating people with long-term care and in-home care and permitting them to get help and assistance with prescription drugs which are outside of a hospital setting, and providing for better health care services, that there are many things that can be invested. It can have an impact in reducing the pressures in terms of the growth of the Medicare population.

But the idea that we are going to solve the expansion of health care costs just by cutting back again on Medicare is something that I find troublesome. I wanted to indicate to the Senator that I respect his sincere desire to move and support programs that will bring America into a closer position on the issues of our deficit, but it does seem to me that we should not simply have the harshest cuts in the areas that I think are counterproductive, because I would say to my friend and colleague, that every dollar we cut back in education we will be paying $2 more in terms of social services.

I think, and particularly with regard to education, that is wrong.

Mr. REID. Will the Senator yield?

Mr. CHAFEE. I wonder if the Senator from Nevada would let me finish.

Mr. REID. Of course.

Mr. CHAFEE. I appreciate the suggestions that the Senator from Massachusetts made. Tax expenditures—I suppose he is talking about, first of all, a whole series of things. Whether we should be providing pensions, deductible pensions, or whether we are talking about in the tax expenditures, whether he is talking about depreciation. I do not find those objectionable. But never mind.

It seems to me it would behoove everyone to come up with plans. That is, if the Senator and the administration do not like the Republican proposal for doing something about this balanced budget by the year 2002, which is a very reasonable goal to reach. We have no wars, times are relatively good, inflation is low, unemployment is low, relatively low, and this is the time to gun for this balanced budget amendment, balanced budget situation. But the administration has not done that. It has chosen not to do that.

All right, how about the Democratic Senators doing it themselves? I would be interested to see what they come up with, because this is very, very difficult. And every step that we take, we being the Republicans who have come up with this balanced budget, we are going to be attacked. And there are going to be wonderful things to attack us on. But at least we are trying to get there.

I think as a part of a sense of responsibility, if you want to call it that, that it would be wise, it would be helpful if others came up with their approach. Maybe you can do it better than we can do it. If so, three cheers, and let us hear your ideas.

Mr. KENNEDY. I thank the Senator. I appreciate his moment of challenge.

I am mindful, though, that this does come from voices that were not there when we saw the $70 billion deficit reduction program on the 1993 budget resolution. We did not have it. That is a historic fact. It is a political fact of life, as well. But there was not a single vote that came from that side, not one single vote, when we were moving toward at least a very modest increase in tax which was presented for the top 1 to 2 percent of the taxpayers, to provide a very modest increase. We did not have any support there. Nor did we have support when we were trying to provide the extension of the earned-income tax credit—that is 84,000 families in my State who were able to get some benefit, plus reduce the overall deficit by $600 million. We had that.

I have said on other occasions I respect the seriousness with which the Senator from Rhode Island approached the efforts to try to deal with the health care issue and crisis in a comprehensive way. I am not sure the Senator desires, nor do I, to get into a long debate on what happened to that particular measure.

But, nonetheless, dealing in a comprehensive way with the total health care issues that included Medicare plus other kinds of expenditures was, I think—I thought then and I still do, and I think eventually the country will recognize, whether we do it the way that was suggested the last time or in some other way—we are never going to be serious about getting a handle on health care costs, which is the principal contributor in entitlement spending, until we deal with that issue. We were not able to break through and develop bipartisan support.

I am not here tonight to get into where the blame lies for that. But I do think those of us who supported those positions, and also supported at least a line-item veto that included the tax expenditures, do not come to this debate empty-handed. We do come to this with a recognition that we have attempted to be responsible on this. I, frankly, think that is something that ought to be a part of it, as well.

Should the Senator from Rhode Island say, ''OK, we did not do the health care last year. We understand we are going to have to deal with Medicare this year, and we are prepared to try to work across the line, with this President, with the other side of the aisle, to try to get a handle on health care costs that are part of health care reform,'' I would welcome the opportunity to be the first who comes to the table on that issue. I think I speak for many on this side.

I must say, hope springs eternal in my soul. I think many of us understand there is nobody who could put that challenge with greater credibility than the Senator from Rhode Island. Perhaps we will wait for a little while to hear that challenge go out there where we can sit down and really try to come to grips with this issue.

Mr. REID. Before the Senator yields the floor, I have a question I would like to ask the Senator.

Mr. KENNEDY. I will be glad to yield for a question.

Mr. REID. I say to the senior Senator from Massachusetts, I recall many of us being on this floor just a few months ago, talking about the crisis in health care.

Does the Senator recall that?

Mr. KENNEDY. Yes, I do.

Mr. REID. In fact, it was not minutes or hours or days; we spent weeks on the floor talking about the health care crisis a few months ago.

I am curious; is the crisis suddenly upon us regarding Medicare? The fact of the matter is, that same crisis was here last year, when we worked weeks and weeks trying to solve the problem; is that not true?

Mr. KENNEDY. The Senator is absolutely correct. What stands out even in greater relief is the fact that in that debate there were going to be adjustments made in the Medicare system but, nonetheless, it was going to be part of an overall reform. So the seniors were going to be able, hopefully, to not only have a more comprehensive range of services available to them, but it would give them the kind of protection in the future that the continued escalation of costs for them would not provide.

As the Senator knows full well now, for the average Medicare recipient, they are paying about $1 out of $4, $1 out of $5, of every dollar for health care. Twenty years ago, it was $1 out of every $12.

Now, for those in the lower part of the Medicare system, in many instances, it is $1 out of $3.

So there is a need to both have the reform and to use resources for health care reform rather than tax cuts.

Mr. REID. I ask the Senator from Massachusetts, the fact of the matter is, if there is suddenly a recognition on the other side that there is a crisis in Medicare, should we recognize that the crisis is not in Medicare, it is in health care? Is that not a fair statement?

Mr. KENNEDY. The Senator has stated it very well.

Mr. REID. If the health care costs, as they relate to Medicare, are escalating 10.7 percent a year, is it not a fact that some private systems are going up even more than that?

Mr. KENNEDY. The Senator is correct again.

Mr. REID. That means higher insurance premiums. Does it not mean that people who have no insurance go to an emergency room; and is there any higher cost of medical care any place in the country than in an emergency room?

Mr. KENNEDY. The Senator is absolutely correct on that. The great tragedy in the cost is not only in the dollars and cents, but it is in the cost of parents who wonder if that child is $75 or $100 sick before they will even go to the emergency room to take care of those needs.

As the Senator knows, about 45 percent of all needs that are treated in the emergency room could have been treated—or are preventable—and could have been treated in a much lower-cost setting at a savings of not only resources, but also the anxiety primarily of parents and loved ones because of the illness or sickness of a member of the family.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent I be allowed to speak as in morning business for up to 15 minutes.

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

Mr. REID. Mr. President, before the Senator from Massachusetts leaves the floor, I want to say I have been here and I have used as an illustration some of the things that are being done on the other side of the aisle, as being—well, they remind me some of the things that go on in Las Vegas. We have in Las Vegas the greatest magicians, illusionists in the world. I talked earlier this week about Siegfried and Roy. They can make things happen.

Mr. KENNEDY. And David Copperfield.

Mr. REID. I did not talk about him the other day, but we have David Copperfield, who spends a lot of time in Las Vegas, who does many wonderful things. We have Melinda, who is the Woman of Magic. We also have two new magicians who now live in Las Vegas by the names of Penn and Teller. The reason the other illusionists are so mad at them is because they tell people how they do their tricks.

I think we need some help from the other side of the aisle to tell us how they are doing their tricks because the fact of the matter is, a health care crisis has been upon us for a long time. Suddenly, because they are presenting a budget to us, they find a health care crisis when there has been one here all the time. I think they have been taking lessons from some of my friends in Nevada. I think that because our colleagues on the other side of the aisle are really illusionists or magicians in the true sense of the word.

I appreciate the statement the Senator has given regarding education. We really have to concentrate on education and what it is doing to future generations.

Mr. KENNEDY. May I just ask the Senator, in the House Budget Committee, they actually cut $90 billion, I understand, from Medicare, and put it that much more at risk, in order to recapture funds in the House budget that can be used for tax reduction. Is the Senator familiar with that?

(Mr. BROWN assumed the chair).

Mr. REID. I am very familiar with that. I say to my friend that the Democrats are not against tax cuts. But I think we have to have our priorities in order. Do we take $90 billion away from senior citizens? As indicated, $1 out of every $3 they have they have to spend on health care. Is that a proper priority that we give tax cuts, $20,000 tax cuts, to people making over $350,000 a year? Is that fair, I say to my friend?

Mr. KENNEDY. I think the answer is obvious. I think that it is important as we move through this debate and the budget that is taking place in the House and the Senate that the facts come out about exactly what has been cut and who is going to pay for it. I think the Senator is providing a real service to the membership here in discussing these matters and bringing them to the attention of the membership and to the American people. I thank him for his comments.

Mr. REID. Mr. President, the budget that we have just received today does some interesting things. One thing that it does without any dispute—there is no reason to debate this—is that senior citizens on an average will spend $900 per year more for health care costs. Every year they can expect to lose about $900—in fact, if they can, and most of them cannot—they will have to pay that much more money for health care costs. As I have said to my friend from Massachusetts, there is no crisis today that there was not last December. Suddenly, there is a crisis now. Suddenly, they want to start talking about Medicare and not talk about the rest of health care costs.

Mr. President, this year health care costs in America will go up over $100 billion. We will not have any better health care as a result of that. We have to be concerned about health care generally and not Medicare particularly.

Mr. President, this rhetoric that we have heard and encompassed in this budget about Medicare reform is nothing but a smokescreen for tax cuts. There is a proposal in this Republican budget that we have for tax cuts. It is camouflaged, and says any savings we get we will apply to the tax cut. I think any savings we get we should help these senior citizens that are having their Medicare bills increased. I think we should talk about young people who cannot go to school, or go to college. That is where the money should go, not for tax cuts for the wealthy.

We are talking about a $900 a year increase in out-of-pocket health care for every senior citizen on Medicare, and we will pay for the $20,000 annual tax cut for Americans making $350,000 a year or more. When the facts are filtered from this rhetoric, it is not the Medicare trust fund they are concerned about at all. It is tax cuts they are concerned about.

As I indicated, Mr. President, we are all for tax cuts. But there has to be a prioritization of what is important. Is it more important we give tax cuts to people who make a lot of money or that we take money away from senior citizens or kids trying to get an education?

Eighty-three percent of Medicare spending is for senior citizens with annual incomes of less than $25,000 a

year. Two-thirds is for those with incomes of less than $15,000 a year. Medicare does not cover prescription drugs. It does not cover long-term care. It does not cover dental care or eye care. I think it is time for us to be concerned about improving Medicare rather than trashing Medicare.

We can come up with some savings. Should not those savings be applied to maybe taking a look at long-term care, dental care, or eye care? I would think so.

Drastic cuts in Medicare not only threaten the pocketbooks of seniors but also those of families. Some seniors may be forced to move in with their extended families once the burden of increased premiums, copayments, and deductibles become too great, if in fact they are fortunate enough to have those extended families. A move would result in loss of independence for seniors as well. That is one of the reasons that Medicare was such an important thing—that we will make sure that we did things to increase the independence of seniors, not take away their independence.

What it all boils down to, Mr. President, is priorities. How do we feel about priorities? I believe the most important thing we can be engaged in is reducing the deficit. I think it is for a lot of different reasons and we need to increase savings. We need to increase our balance of trade. We need to make sure that we do not spend more than 17 percent a year for interest on the debt. The American public has to understand that about 48 percent of what we spend is for entitlements. What is the largest part of that? Health care costs—Medicare and Medicaid. We have to do something about that, not just hack away at Medicare but do something about overall health care costs. That should not be swept under the rug.

Last year we debated health care. Perhaps we tried to do too much. There were lots of losers in that health care debate; hundreds of losers, and only one real winner in the health care debate and that was the health insurance industry. They were head and shoulders the winner. They got over the finish line way before anybody else got out of the starting block. They, through their Harry and Louise ads, set out to frighten and confuse the American public, and they hit a home run. They frightened and confused the American public beyond, I think, what even they hoped.

When the health care debate started everyone recognized the truth, that health care was in trouble. Almost 90 percent of the American public favored health care reform. When the debate ended, Mr. President, nobody favored health care reform. The health insurance lobby won the day. That does not mean that the day is won forever because the problems still exist. Health care costs are increasing, and they are driving deficits on local governments, State governments, and the Federal Government.

All of this debate about let us give everything back to the States is scaring the people in Nevada. Why? Especially the large counties, Clark and Washoe Counties get all of leftovers, people that have fallen through the safety net. Social services in Washoe County, Clark County, Reno, and Las Vegas have to take care of those people that fall through the safety net. They cannot do it. They do not have a tax base to do it. They are frightened about what is probably going to happen back here.

Mr. President, there is a statement they want to return the $170 billion dividend to the American people in the form of a tax cut. I do not think that is where the dividend should go. The budget that has been proposed slashes the prime trust funds—aid to education, student loans, all kinds of medical research, and raises taxes on working families who make under $26,000 a year. We have focused on a tax cut. That is a priority of the House and their Contract With America. That is the foundation of their contract—tax cuts amounting to almost $1 trillion over the next 10 years. But have we talked about what has happened to people who are going to get a tax increase in this budget; that is, working families who make under $26,000 a year?

The earned income tax credit is being slashed with a proposal that was introduced, or will be introduced, by the Senate Budget Committee, about 7.8 million people, will have their earned income tax credit whacked. On an average, these people have their taxes increased by $270.

Earned income tax credit recipients with incomes lower than $26,000 will lose their eligibility, generally speaking.

Now, Mr. President, what is an earned income tax credit? It is a way of keeping people off welfare, and it is a way of having people who are on welfare to get off welfare. Why? Because under current law people who make less than $26,000 a year can apply—it is on a sliding scale—to have part of the taxes they pay rebated to them. It works very well. Under current law, with earnings of $16,500 and no other source of income, a married couple with two children would have income slightly above the poverty level in 1996. While they would not owe individual income taxes, they would pay about $2,500 in Social Security taxes on their earnings. Under current law, they would receive an earned income tax credit for the amount they pay, completely offsetting their tax liability.

That is why people want to get off welfare. That is why people do not want to go on welfare. They have a chance to get ahead and be part of working America. Because larger families have greater needs than smaller families, taxpayers with two or more children are entitled to a larger earned income tax credit than taxpayers with one or no children. But under the Senate Budget Committee's mark, a very low-wage worker with two or more children will receive only a token adjustment to compensate him or her for the additional cost of raising this family.

So, Mr. President, we have to be concerned about the tax increases in this mark that we are getting from the Senate. We have heard a lot about the tax decreases for the wealthy, but what about the tax increases for people who make less than $26,000 a year?

The budget grants short-term tax cuts, especially that from the House, instead of focusing on long-term investments on education, health research, and crime control.

May I ask the Chair how much time I have remaining?

The PRESIDING OFFICER. There is 1 minute 52 seconds remaining of the Senator's time.

Mr. REID. I ask unanimous consent that I be extended an additional 5 minutes.

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

Mr. REID. I held a crime summit in Las Vegas which, coincidentally, had been scheduled for several months. It was the day after the Oklahoma City explosion. I met there with the chiefs of police of southern Nevada: Boulder City, Las Vegas, Henderson; Federal officials, DEA, FBI, judges, and a number of other people in an off-the-record discussion about problems relating to crime. There are serious problems that we are not addressing. Law enforcement needs help, lots of help. Yet, the budget proposal cuts the violent crime trust fund.

I will be speaking to a number of graduating classes in Nevada in the next few weeks. These young people, these high school students do not face a very bright future. We are cutting back on student loans and grants, instead of being aware of the fact that money we spend for education comes back to us.

Low-income families—we have talked about them—making less than $26,000 a year are going to be paying more taxes. The budget resolution we have, Mr. President, calls for more taxes.

Research. I would recommend to every one of my colleagues that they go to the National Institutes of Health and talk to the people who have dedicated their lives to curing disease. It is wonderful, the stories you hear out there. Paralysis. We have a significant number of people who have spinal cord injuries. As a result of the perseverance of a number of physicians out there, they have been able to make significant strides in trauma associated with spinal cord injury. And as a result of the work they have done, especially work done with massive doses of steroids immediately following an accident, people today who would have been paralyzed are not as a result of the work done at the National Institutes of Health. The problems that we

deal with there deal with people who are sick and injured and need help.

We are going to cut back on that research. That is wrong.

The time has come, Mr. President, to live up to promises made during the balanced budget debate. For example, to protect Social Security. The Republicans claim that under their budget they will protect Social Security. Social Security, however, will face it's greatest threat under this budget in 2002 when this budget supposedly will balance. Because Social Security surpluses are being scored against the deficit, this budget will collateralize the Social Security trust fund. Black's Law Dictionary defines collateral as ''property which is pledged as security for the satisfaction of a debt.'' In this budget proposal, the definition of collateral is Social Security.

I think we have to live up to the responsibilities that we have. I repeat, we have to do a better job of balancing the budget. This will be the third year in a row that the budget will be lower than the year before, the first time in 50 years. Certainly, we have to do much better than we have done. We have reduced, in the last 2 years, Federal employment by 150,000 people. I think that is significant. We have had the highest economic growth in some 40 years. That is important. We certainly have not done enough. The economy needs a lot of help. The one thing we could do that would help more than any other thing would be to reduce the deficit, but we cannot do it with tax cuts. We cannot do it with cutting educational benefits.

We have to look at the big items. What are the big items? They are interest on the debt, medical expenses, and, of course, we have to look at defense. We cannot leave that because 20 percent of every dollar we spend goes for defense.

I thank the Senator from Rhode Island, the chairman of my committee, for his allowing me to go out of order in morning business.

I yield the floor.

INTERSTATE TRANSPORTATION OF MUNICIPAL SOLID WASTE ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The pending question before the Senate is the substitute amendment reported by the Committee on Environment and Public Works to S. 534.

Is there further debate on the bill?

The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, this is the Graham amendment?

The PRESIDING OFFICER. What is before the Senate is the committee-reported substitute at this point.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. I thank the Chair.

AMENDMENT NO. 752

(Purpose: To revise the provision relating to State-mandated disposal services)

AMENDMENT NO. 753

(Purpose: To provide that a law providing for State-mandated disposal services shall be considered to be a reasonable regulation of commerce)

Mr. GRAHAM. Mr. President, I send to the desk two amendments and ask for their immediate consideration.

The PRESIDING OFFICER. Does the Senator wish these amendments to be considered en bloc?

Mr. GRAHAM. The Senator requests that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes en bloc amendments numbered 752 and 753.

Mr. GRAHAM. 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. 752

On page 63, strike line 4 and all that follows through page 64, line 2, and insert the following:

''(e) STATE-MANDATED DISPOSAL SERVICES.—A political subdivision of a State may exercise flow control authority for municipal solid waste and for recyclable material voluntarily relinquished by the owner or generator of the material that is generated within its jurisdiction if, prior to May 15, 1994, the political subdivision—

''(1) was responsible under State law for providing for the operation of solid waste facilities to serve the disposal needs of all incorporated and unincorporated areas of the county;

''(2) is required to initiate a recyclable materials recycling program in order to meet a municipal solid waste reduction goal of at least 30 percent;

''(3) has been authorized by State statute to exercise flow control authority and had implemented the authority through the adoption or execution of a law, ordinance, regulation, contract, or other legally binding provision; and

''(4) had incurred, or caused a public service authority to incur, significant financial expenditures to comply with State law and to repay outstanding bonds that were issued specifically for the construction of solid waste management facilities to which the political subdivision's waste is to be delivered.

(5) the authority under this subsection shall be exercised in accordance with Section 401z(b)(4).

AMENDMENT NO. 753

On page 65, line 10, strike ''or (d)'' and insert ''(d), or (e)''.

On page 65, line 3, strike ''or (d)'' and insert ''(d), or (e)''.

Mr. GRAHAM. Mr. President, these two amendments represent technical refinements to a provision of the bill which appears on pages 63 through 65, which I understand have been agreed to by both sides of the aisle, and I ask for their immediate consideration.

Mr. CHAFEE. Mr. President, indeed, they have been agreed to by this side of the aisle, and we are prepared to accept them.

The PRESIDING OFFICER. Is there further debate on the amendments Nos. 752 and 753? Is there objection to the amendments? If not, the amendments are agreed to.

So the amendments (Nos. 752 and 753) were agreed to.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, I wish to express my appreciation to Senator CHAFEE, who, in his usual gracious manner, has been so helpful in working through these two technical amendments as well as having assisted the committee in bringing to the floor this important piece of legislation.

I would also like to commend the chair of the subcommittee with specific responsibility, Senator SMITH of New Hampshire, and the ranking minority member, Senator BAUCUS, and Senator LAUTENBERG for their courtesies in the development of these amendments and other provisions in the legislation. I would like to take this opportunity to make a few remarks on the general subject of title II of this legislation which is the provision relating to flow control.

Mr. CHAFEE. I wonder if the Senator, before he gets into that, would like to move to reconsider the vote by which the amendments were agreed to.

Mr. GRAHAM. In further thoughtfulness on the part of the Senator, I move to reconsider the votes by which the two amendments were agreed to en bloc.

Mr. CHAFEE. I move to table that motion.

The motion to lay on the table was agreed to.

Mr. GRAHAM. I thank you, Mr. President, and I thank Senator CHAFEE.

This legislation in title II, which is the title to which my remarks will be directed, raises again the fundamental question that this Federal Government has dealt with throughout its history, and that is the appropriate role of the State government and the National Government. In this case, it raises, in stark relief, the question of who should decide an issue as basic to our public welfare as the disposition of garbage.

I start from a general presumption that that level of government which is closest to the people who will be affected by the action should be able to control the action and therefore I have a general predisposition toward local and State government having responsibility and control. In this case, that predisposition also happens to be in the historical responsibility of local government for the control of their solid waste and its disposition.

Let me turn to a little background of how we got to the legislation that is before us today. I will use for purposes of my examples primarily illustrations from my State of Florida but I believe that similar examples could be drawn from any of the other some 35 States