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House of Representatives

The House was not in session today. Its next meeting will be held on Monday, May 22, 1995, at 12 noon.

Senate

FRIDAY, MAY 19, 1995

(Legislative day of Monday, May 15, 1995)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Lord of all life, Sovereign of this Nation, we ask You to bless the women and men of this Senate as they press on to express their convictions on the soul-sized fiscal issues confronting our Nation.

In these days of discussion, when priorities must be set and differences are sharply focused, we need a special measure of Your grace. In the debate over what it will take to balance the budget, and when and how this can be achieved, there will be strong disagreement. We will need Your wisdom and Your guidance to practice the fine art of creative compromise, so that the budget will reflect what is best for our Nation both now and for the future. Liberate us from the polarities of presuppositions that keep us from moving toward consensus. Help each Senator to speak the truth as he or she sees it, listen carefully to differing points of view, and then be willing to find workable solutions. Guide us through these days of discord and division and bring us to a resolution in which there is no victor except the people of this Nation. In Your reconciling name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mrs. HUTCHISON. Mr. President, this morning the leader time has been reserved and the Senate will immediately resume consideration of Senate Concurrent Resolution 13, the budget resolution.

Under the previous order, a rollcall vote will occur this morning at 10:45 on the Domenici amendment, the text of which is President Clinton's budget. That will be the only rollcall vote today. However, the Senate will remain in session in order to debate the concurrent budget resolution.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Senate Concurrent Resolution 13, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

The Senate resumed consideration of the concurrent resolution.

Pending:

Hutchison (for Domenici) amendment No. 1111, in the nature of a substitute.

Mrs. HUTCHISON. Mr. President, I watched, as I am sure many people in America did, last night and all day yesterday, I guess starting at noon, the two sides debating probably the most important vote we will take maybe in our lifetime.

The balanced budget amendment, I felt, was the most important vote because that would set a framework for us, for the future generations to make sure that in our framework of Government we would not allow one generation to put in debt future generations. So while I reserve that vote as the most important vote, nevertheless, what we are doing today is implementing the balanced budget amendment that did not pass.

We are taking up for consideration a budget resolution that will balance by the year 2002.

I was watching C–SPAN this morning and I saw a recap, I guess, of the debate on the House floor yesterday. They were talking about Democrats holding up pictures of the elderly and Republicans holding up pictures of children saying, basically, that is where the arguments are—that the Democrats are going for the senior citizens and the Republicans are talking about protecting children.

I think that they are saying to the senior citizens, ''We do not think you will be responsible.'' I think that is what the Democrats were saying on the House side. ''We do not think you will

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

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be responsible with our money. We want you to vote for making sure that we continue all of these programs, business as usual,'' and I do not think the seniors of America are saying that at all.

In fact, one of the callers on the show called in from Florida, and the woman said, ''I am a senior and I want my grandchildren to have a balanced budget. I want them to have the same kind of America that I have had. I do not want to be a senior that plunges our country into debt and will not take the responsible position.''

I think if there is an effort to pander to seniors, the people of this country are smarter than that, and especially the seniors are smarter than that. They are looking for the future of this country. They want to cut this growth in spending so that we will have a future for their children.

We have been talking about cuts, cuts, cuts. I must remind everyone in this debate we are not talking about cutting. We are talking about less increases, fewer increases. We are talking about a 7-percent increase in Medicare, which we believe is a responsible rate of growth for Medicare.

In fact, it will save the system for future generations. That is in question if we do not take the steps now to give innovative alternatives to the Medicare system we have now so that we will be able to say by the year 2002 the Medicare trustees were wrong. It is not going broke. They were wrong because we did what we needed to do with their warning and we saved the system.

I hope in the year 2002 that I will be here along with many Members who will take the responsible position for our country to celebrate that our Medicare and Social Security systems are intact for our seniors because we have done the responsible thing. More importantly even than that, that we have a balanced budget to give to our children and grandchildren, which is what I think the seniors are expecting Members to do.

Mr. President, we are going to see debate all day today in the Senate. We are going to see it on Monday and Tuesday. We will have this monumental vote probably sometime Wednesday. I want to commend the House of Representatives for taking this step first. I want to say that I hope that my colleagues will follow so we can make history for this country and move toward this very important balanced budget.

I yield the floor at this time to the Senator from South Carolina.

The PRESIDING OFFICER (Mr. COATS). The distinguished Senator, the President pro tempore, the Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I want to commend the able Senator from Texas for the excellent remarks she just made.

We have the greatest nation in the world. It provides Americans more freedom, more justice, more opportunity, and more hope than any nation has provided any people in the history of the world.

This great country of ours can be in jeopardy unless we do at least two things. We must provide an adequate defense to protect this country. That is essential. We must protect ourselves against the enemies who will destroy democracy and freedom in this world.

The next is, we must have a sound financial system. We have not balanced this budget but one time in 32 years. Eight times in 64 years. That can bring destruction. We are not being fair to our children, our grandchildren, and future generations. We must take steps to balance this budget.

I hope that we pass a budget this year, pass it now, that will take steps to bring sanity to this country's finances.

I love this country. I want to do everything I can to preserve it. We can preserve it if we stop this big spending. We have been spending more than we have been taking in for all these years. We have to stop it and stop it now.

Mrs. HUTCHISON. Mr. President, I want to say I yield to no one in my admiration for the senior Senator from South Carolina.

I just want to say he is an example of just what I was talking about. If he would not mind my calling him a senior Senator or senior citizen, he is the kind of senior citizen, as a Senator, who is leading the effort toward doing the responsible thing.

This is a distinguished veteran of World War II who understands the importance of a strong national defense. I am going to join with him later today or next week to try to strengthen the defense part of this budget resolution.

All Members are going to make our arguments. We are going to say what our priorities are. I know that the Senator from South Carolina who chairs the Armed Services Committee, and I believe we should have a stronger national defense element in this budget. In the end, we are going to vote for a budget resolution that balances the budget of this country.

After everyone has spoken and everyone's priorities have been looked at and considered, we are going to go with the majority of this Senate. I appreciate the leadership of the Senator from South Carolina, and I appreciate his words today, leading the charge for the responsible effort that so many of the senior citizens of this country are expecting.

Mr. THURMOND. I wish to thank the able Senator from Texas for her kind remarks.

Mrs. HUTCHISON. Now I yield to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I appreciate the Senator from Texas for yielding, and appreciate the fine job she is doing as to present an argument as to why this balanced budget resolution is so important to the future in this country.

We will hear a lot of demagoguery about how terrible everything is, and what the Senator from Texas is doing is focusing on positive effects of getting to a balanced budget.

Today we have the opportunity to debate this. This is the President's budget that he sent up here earlier this year. It is for fiscal year 1996, and it calls for in his budget, as we see by this chart, the red line calls for budget deficits of around $200 billion a year. That is what his budget numbers call for, using the Office of Management and Budget.

As we know from the President's State of the Union speech, it might have been even his first State of the Union speech, he says we should not use Office of Management and Budget numbers. Those are not the right numbers to use. We should use the Congressional Budget Office, they are the better estimator, they have been shown to be more correct over time. They would be the ones that we should use in all budget debates.

Given that fact, the purple line is the actual CBO estimate of what the Clinton budget, this budget right here, this budget will project out. Budget deficits starting around $170 billion this year, going up to almost $275 billion by the year 2000. And then up even further, up to over about $300 billion by the year 2002.

He is going to add, with this budget—if we approve this budget today, we will add $1.2 trillion to the debt, to the national debt. That is the solution offered by the White House. Further deficits, increasing deficits, further mortgaging of our country's future, further mortgaging of our children's future. That is the leadership.

The President of the United States is seen by the world as having the moral authority to lead the world. We are, in fact, the greatest country in the world. We are a country that is a leader among nations, and our President stands as the head of that country as the supreme leader in the world today—leader—leadership. Is this leadership? I suggest it is not.

So, as I said yesterday when I came to the floor, I am going to come to the floor every day, and I am going to ask the President why he is refusing to lead, why he is refusing to take part in possibly the most historic debate that we have seen in the last couple of decades here on the floor of the U.S. Senate, why he is abdicating his responsibility as the leader of the free world, putting the country that is most important to freedom for the world at risk by profligate spending, continued profligate spending. I think it is an act that is beneath the office, to stand on the sideline and throw barbs at those of us who are trying to accomplish the goal that, if I recall, when he ran for President he was going to do his best to accomplish, to balance this budget.

He said it in 1993 when he was putting forward his plan to raise taxes to help solve the deficit. ''No hot air; show me

where,'' is what he said when it came to the Republicans' plan for balancing or reducing the budget. He did not want any smoke and mirrors, he wanted a plan.

This is not a plan that gets you to a balanced budget. Mr. President, you have an obligation—you have an obligation to lead this country and to show us where. So, I will put up, now, unfortunately, day 2 of the days with no proposal to balance the budget from President Clinton. I will be here every day that we are in session, adding number after number after number, until we reach 135 days, which is October 1 of this year when the new fiscal year starts and it is then basically too late to do anything about it.

Mr. President, we beseech you: Participate. Take the job seriously. Get involved in the process. Try to make a difference. Show the American people you really do care about what happens to the future of this country.

Mr. KYL. Mr. President, I wonder if the Senator from Pennsylvania will yield for a question?

Mr. SANTORUM. I am happy to yield to the Senator from Arizona.

Mr. KYL. I ask the Senator from Pennsylvania, how much does the President's budget show in annual deficits every year?

Mr. SANTORUM. If we go back to the previous chart, the purple line is the line that the Congressional Budget Office has estimated will be the annual deficit under this budget, the Clinton budget. It starts out at about—using rough numbers because I do not have them exactly—about $175 billion for this fiscal year, the one we are in right now, increasing to over $200 billion in 1996, about $230 billion in 1997, about the same amount in 1998, and then up around $290 billion for 1999 and 2000.

Mr. KYL. So over the 5 years of the President's budget, we are looking at an average of over $200 billion a year.

Mr. SANTORUM. And going up.

Mr. KYL. And going up.

I further ask the Senator from Pennsylvania, according to my calculations, for every year that we have a $200 billion deficit, the average young person in this country is going to have to pay an additional $5,000 in taxes, with the result that after 5 years of Bill Clinton's budgets that is a $25,000 tax bill for the average young person in this country?

Mr. SANTORUM. The reason for that is that is more debt we accumulate, more interest we have to pay on the debt; interest that will be paid by children being born today for the rest of their lives. So that is where we come up with this number, that is not a phony baloney number. This is actually numbers we add to the debt that we will have to borrow money for and children in the future will have to pay interest on for the rest of their lives, if we continue this.

Mr. KYL. Let me ask the Senator from Pennsylvania a couple of other questions here. It is my understanding we are going to have the opportunity to vote on the President's budget later on today. I am sure the Senator from Pennsylvania and I will not be voting for this budget. During the debate on the balanced budget amendment I seem to recall a lot of our colleagues from the other side of the aisle, our Democratic friends, asking us how we were going to get to a balanced budget. They argued they did not need to support a balanced budget constitutional amendment because they could do it on their own. They did not need a constitutional amendment. So our constitutional amendment failed by one vote.

I do not recall—perhaps the Senator from Pennsylvania could help me here—I do not recall any budget having been submitted by a Senator on the Democratic side of the aisle, a budget that will bring us in balance by the year 2002 or any other year—am I mistaken? Have I missed something here?

Mr. SANTORUM. No. I think the Senator is right. I have not seen any budget being put forward either by the President, obviously, or by any Member of the other side of the aisle that gets us anywhere near zero within the 7-year timeframe or, frankly, any time thereafter. I am actually pretty excited about this possibility, because having sat through the balanced budget debate and listened to the numbers of Senators getting up and saying, ''Look, we do not need the balanced budget amendment. We can do this on our own. We have the courage within us to make these decisions. We will stand up when the time comes to be counted,'' so I am guessing, but I suspect we will get all 54 Republican votes on this side for this budget, I am hopeful that we do that. If you add the 30, what, about 35 or so Democrats who voted against the balanced budget, who, of course, have the courage now to stand up and say we are going to be for a balanced budget, I think we will get 90 votes for this. I think we can get close to about 90 votes for this. We should.

If everyone who is serious—if you are serious over there, if you really want a balanced budget, if you really think you can make those tough choices, if you really are willing to stand up to the American public and say we are willing, we can do it ourselves, we do not need any balanced budget amendment to force us to make tough decisions, we have the power within us to do that—then here it is. Let us do it.

Mr. KYL. May I ask the Senator from Pennsylvania a couple more questions here?

So, the bottom line here is you have not seen a budget proposed on the Democratic side, and I have not seen a budget proposed on the Democratic side. The only budget is the one proposed by the President. I guess we will have a chance to see whether our Democratic friends will support the President's budget, because they have no other alternative.

Mr. SANTORUM. I cannot imagine they would because they said during the balanced budget amendment debate that they have the courage to support a balanced budget and since the folks on the other side are so serious about getting to a balanced budget and see this as such an important thing, I cannot imagine then they would support this.

Mr. KYL. Has the Senator seen any constructive suggestions from the other side about how we might achieve a balanced budget by the year 2002?

Mr. SANTORUM. I imagine there will be several amendments. Of course, all of them will be deficit neutral. I am sure they will not offer any amendments to raise the deficit or get us off the glidepath here to zero. I am sure they are not going to be interested, since they have the courage over there to make sure we get to this balanced budget, they are not going to offer any amendment that is going to increase the deficit or throw us off this path. So I am sure they will have constructive suggestions about how we might tinker with this, and I look forward to debating those. But I do not think they are going to have any substitute proposal that is going to get them to a balanced budget on a completely different tack.

Mr. KYL. Of course, that is what I had reference to. If I could just ask the Senator from Pennsylvania one final question? I have listened to the debate over the last 10 or 12 hours here. Much of the debate has focused——

Mr. SANTORUM. You are a brave man.

Mr. KYL. Pardon?

Mr. SANTORUM. I said you are a brave man.

Mr. KYL. I listened to part of it, anyway, although it gets a little repetitious. The argument I have heard discussed most from the Democratic side of the aisle is about how they would like to spend the dividend that is created by the fact that we balance the budget.

In other words, the chairman of the Budget Committee, Senator DOMENICI, has done a very good job of putting this thing together in such a way that after 7 years, because interest costs will be reduced, we will actually have in effect a dividend of about $170 billion. While I have not heard any suggestion from the Democratic side about how they would balance the budget, and they have certainly not indicated that they would support the way that we will achieve that balance by the year 2002, I have heard a lot of discussion about how they would like to spend the money that we save.

Mr. SANTORUM. Mr. President, it is amazing—if the Senator will yield—I remember we were in the House together and we had the peace dividend. Remember the peace dividend? That was the time the Soviet Union was crumbling and we could cut our defense budget a little bit, and it turned out to be a lot. Therefore, we would save money. So we had a peace dividend. So what did we do? We were running, by the way, over $200 billion in annual deficits. But we had a dividend.

So what were we going to do? Spend it somewhere else. We were not going to put this toward the debt; oh, no. This was a peace dividend that was earned by the American public, and so we have a right, here in the Congress, to spend it.

Here we are again. We get a dividend, according to the Congressional Budget Office, by balancing the budget, and it will come down to zero by the year 2002. The Congressional Budget Office says they will change their economic assumptions to assume lower interest rates, lower inflation, and greater growth in the economy, which will mean less of a debt. So there will be a dividend.

So what do we hear? Are we hearing, ''Well, we should put that toward the deficit,'' or ''We should give people who worked hard for this money some of that money back''; in other words, let them keep the money they worked for? No, no, no. On the other side of the aisle, you will hear suggestion after suggestion after suggestion how we should spend this money because it is our dividend. It is not yours, American public; it is our dividend. We did this. So we should take your money and spend it on things that we think are best.

This is kind of ridiculous, having this kind of talk about let us get serious. Let us get serious. This is not our money; this is your money. To suggest that we could finally do something that we were hired to do, which is to get our house in order; that if we do our job, somehow we should get the dividend, to go out and take more of your money and spend it somewhere else? It is absolutely absurd.

Mr. KYL. If I may conclude with this comment to the Senator from Pennsylvania, I think he certainly helped me to understand this issue better than I did.

I guess I would summarize it this way: During the debate on the balanced budget amendment, we said we think we need a constitutional amendment because, otherwise, too many people in the Congress will not have the discipline to make the tough choices to bring the budget into balance. Most of our Democratic friends, many of them, said, ''No; we can do this on our own.''

Then the Senator from Pennsylvania said the only alternative to the budget that we have prepared, that brings us into balance, is a budget that the President proposed, that does not bring us into balance. According to the Senator from Pennsylvania, as a matter of fact, it averages deficits of over $200 billion a year as far as this President has calculated it, and the trend is up over $200 billion a year. That is about a $5,000 tax every year on each American.

I learned from the Senator from Pennsylvania that, in addition to the fact that the Democratic side of the aisle here has proposed no alternative that will achieve a balance by the year 2002, the bulk of the discussion so far has been how to spend the dividend that is created by our budget.

So not only are they not willing to support our budget, but at the same time they are criticizing our budget, they want to take the money that we save by our budget and spend that rather than returning it to the American people.

Do I have this straight? Is that about the size of it?

Mr. SANTORUM. Mr. President, the Senator from New Hampshire is here, and he is on the Budget Committee. My understanding was during the budget debates in committee that the Democratic Members had, most of the debate on the committee was how to spend this $170 billion, whether we should do tax cuts or whether we should go out and spend a lot more money on a lot more programs.

I do not know if the Senator wanted to comment on that. It is my understanding that they were just anxious to get at this pot of money so they could create some more spending here at the Federal level.

I will be happy to yield.

Mr. GREGG. Mr. President, if the Senator from Pennsylvania will yield, he has put it absolutely correctly. Of those worthy amendments, the vast majority of amendments—I have forgotten the number, 17 amendments—offered by the members of the Democratic Party on the Budget Committee, and everyone wanted to spend the dividend, which results from the lower interest rates as a result of getting to a balanced budget.

Mr. SANTORUM. I want to make it absolutely clear. Of all of the amendments in the Budget Committee offered by the other side——

Mr. GREGG. ''All'' may be too many, but the vast majority.

Mr. SANTORUM. The vast majority of the amendments offered by the Democrats in the Budget Committee were not how to get to a balanced budget—were not.

Mr. GREGG. There were not any amendments offered as to how to get to a balanced budget.

Mr. SANTORUM. There was no substitute offered as to how they would get to a balanced budget. There were no amendments offered on how they would change spending priorities. But the amendments were focused on what? The $170 billion dividend that the CBO gives us by getting to a balanced budget, which assumes lower interest rates and more growth, how could they spend that money?

How can you take seriously people coming to the floor during the balanced budget debate, saying that they have the courage to balance the budget; they are willing to make the tough cuts, and when the bill actually comes to the floor to do that, all they do is focus in on how they are going to spend more money? It is almost incredulous to me.

You are going to hear speaker after speaker on the other side of the aisle talk about how terrible this is, and all their amendments will be on how to spend more money and how we have to get to balance. This just is not the right way. They do not have a way, but this is not the right one.

All I suggest to the Senators in this Chamber—and you want to listen—is look at the big picture. Let us look at our responsibility to the future of this country, to the children of this country, to leave this country better off than it was left to us. We have a moral obligation to do just that, to balance this budget for future generations.

I yield the floor.

Several Senators addressed the Chair.

Mr. EXON. Mr. President, I yield 10 minutes to the Senator from Wisconsin.

Mr. GREGG. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized, if he will suspend for a question of the Senator.

Mr. GREGG. I just arrived on the floor. I understood there was an agreement that at 9:15, we would go to the statement on your side by Senator DODD.

Mr. EXON. Will the Senator repeat the question?

Mr. GREGG. Mr. President, it was my understanding that by 9:15, we would go to a statement by Senator DODD on your side.

Mr. EXON. Is the manager of the bill on the Republican side trying to interfere with the lineup that we agreed to offer on this side?

Mr. GREGG. No.

Mr. EXON. There was no agreement, to my understanding. I ask the Chair, was there an agreement as to who was to speak at what time? Last night as we left, I understood that we jointly yielded to allow your side to have the first half hour of debate. Chairman DOMENICI just came 2 minutes ago, 20 seconds ago, and stood right here and said it is our turn now. I would give that advice to the manager of the bill on the Republican side. Maybe I am wrong. But I ask the Chair if I am mistaken and misunderstood the binding agreement that had been previously entered into.

The PRESIDING OFFICER. The agreement previously entered into reserved time for the Senator from Nebraska from 10:15 until 10:30, and reserved time from 10:30 until 10:45 for the managers on the Republican side.

Mr. GREGG. I simply say we were looking forward with great enthusiasm to hearing the Senator from Wisconsin and also the Senator from Connecticut, and whatever order the leader of the Democratic side, the manager of the bill on the Democrat Party side, wishes to go forward with, that is fine with this side. We were just trying to get clarification of what was happening as to the priorities as we understood the gentlemen's agreement.

The PRESIDING OFFICER. The Senator from Nebraska has yielded time to the Senator from Wisconsin.

The Senator from Wisconsin.

Mr. KOHL. I thank the Senator from Nebraska.

Mr. President, as we debate the fiscal year 1996 budget, I would like to discuss some of the principles I hope this year's budget embodies. I believe these are bipartisan principles that the majority of Americans and majority of Senators can support.

I would like to talk today about a budget that is balanced, both financially balanced and balanced in the sacrifices it asks Americans to make. There is no question about our need to get to a balanced budget—and to get to a balanced budget in 7 years—but we must get there in a manner that does not do damage to our economy or to the basic principles of our democracy.

We must balance the budget, but we must do it in a way that is fair and is perceived to be fair by all Americans. That is my central criticism of the plan before us. It asks that the budget be balanced entirely by sacrifices from elderly Americans, middle-class and lower income Americans, and students, and it asks nothing from the wealthiest among us.

I support a balanced budget. I voted for the balanced budget amendment that was defeated earlier this year. And I support a balanced budget by the year 2002. I am pleased that we are starting this debate with the Budget Committee plan that gets to balance in 2002, and I hope that we end up with a budget that does, indeed, get to balance by 2002.

We all know why it is essential to get to the balanced budget. Simply put, our economic survival depends on it. Our almost $5 trillion in Government debt is money taken directly away from private sector investment. The interest payments that are now our third largest spending program are dollars which are totally wasted. They are dollars we cannot spend educating our children, paving our roads, or providing tax relief to middle-income American families. And, just as bad, our mounting Federal debt pulls up interest rates and threatens our standing as a world economic power. With each year of deficits adding to that debt, we are rolling the dice: Will this be the year that the world turns its back on a country that cannot stop spending more than it takes in?

So there is no question that our current fiscal irresponsibility is not sustainable. There is no question that we have to balance the budget if we want to reassert control over our economy and our destiny. The only question is how are we going to achieve this balance.

Balancing the budget is a huge undertaking. It requires immediate reductions in Government services and real sacrifices from the American people. I believe the American people will respond to this challenge but only if the challenge is considered to be fair. We need to balance the budget in a way that brings our Nation together in pursuit of the common good and not in a way that would drive us apart in pursuit of partisan political gain or just monetary gain for a few interests.

Achieving solvency is vital to our Nation's strength, but solvency alone will not make us strong. After all, a family is not strong only because its checkbook balances. A family is strong because it has strong values. Our country is the same. We need to balance our books. But if we do so in a way that pushes us apart, then we will find we have bought fiscal balance at the cost of values that make our democracy strong, values like equality of opportunity and fairness and compassion.

As most of us know or should know, there exists a very disturbing trend toward increasing inequality in our country today. The wealthiest among us are getting wealthier and everybody else is losing ground. Between 1973 and 1993, the wealthiest 20 percent of American families saw their incomes increased 25 percent while the poorest 20 percent saw their incomes decline by 15 percent, all in real terms. And families in the middle of the income distribution in this country saw very little, if any, increase in their average income over the same period. Today, 1 percent of the households in our country control about 40 percent of the Nation's wealth. Households that have net worth above $180,000—the most well off 20 percent of American families—control a full 80 percent of America's wealth. And this trend is increasing. This concentration of wealth is more by far than is found in any other industrialized country.

Mr. President, our divisions are not just among income classes. They are among generations as well. Our poverty rate is 25 percent for children under 6 years old and only half of that for our senior citizens.

These growing inequalities have produced a vicious and unproductive cycle because poor children are poor students and poor students are poor workers. Poor workers are poor wage earners and poor producers, and no one wins in this sort of an economy. The inequality fuels the enemies of democracy, things like resentment and fear, anger, and misunderstanding.

In balancing the budget, we must not exacerbate these inequalities. We must balance our books but not by knocking off balance the ladder of opportunity that should allow every American working family to work toward a better life and a better standard of living.

In my judgment, unfortunately, the Republican budget proposal moves us in the opposite direction. Instead of helping lower income children out of the cycle of poverty by investing in education and child nutrition, this budget slashes Medicaid for children, takes $14 billion out of student aid, and cuts $34 billion out of nutrition programs. Instead of proposing ways to help working families stretch their precious dollars, the budget proposal before us reduces the earned-income tax credit by $21 billion. That is, it raises taxes on our lowest income taxpayers. And instead of offering constructive suggestions on reducing the huge medical costs that overwhelm our senior citizens, the budget before us includes one-quarter of $1 trillion in unspecified Medicare costs.

The policy of the Republican budget for upper income taxpayers is exactly the opposite of this. It asks nothing from upper income Americans and wealthy corporations in our effort to balance the budget. It allows tax expenditures which are special tax subsidies that give benefit mostly to wealthy Americans and corporations to grow by almost 49 percent over the next 7 years, faster than any other category of spending.

In short, this budget gets to balance without any help from the 2 percent of our wealthiest Americans who control the bulk of our country's wealth and without help from the biggest corporations that stand to gain the most from a reinvigorated economy.

Mr. President, in my judgment, this is not a fair plan. Working middle-income families will not and should not tolerate unremitting reductions in their standard of living to finance special-interest tax breaks. If we are to come together as a country to solve our deficit problem and if we are to come together as a bipartisan Congress to balance the budget, we have to support a plan that asks something from everyone.

I am ready to support such a plan. I am ready to work with the Republican majority, Democrats, and anyone else who wants to balance the budget in a fair and a balanced manner. It may not happen this week, but soon when we are all done scoring political points, Mr. President, I believe we will sit down together and draft a budget that contains the best and the fairest proposals from both parties. That will be a budget that balances fiscally. It will also be a budget that is balanced in the sacrifices it asks from all Americans and in the opportunities that it provides for all Americans.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have been listening with keen interest to my good friend and associate from the State of Wisconsin. We have worked together on many things, and I thank him very much for his kind and thoughtful remarks. Suffice it to say I join with him again and appreciate his appeal for some bipartisanship on this matter. We will continue to pursue those goals.

Has the Senator from Wisconsin finished his remarks or did he wish additional time?

Mr. KOHL. I did finish.

Mr. EXON. Mr. President, Senator DODD is on his way to the Chamber floor. I am prepared to make some remarks. Is there someone on that side of the aisle who wishes to speak at this time?

I see the Senator from Colorado has just come in. We would be very pleased to yield on the basis that we generally have, going back and forth on these matters.

The PRESIDING OFFICER. Who yields time to the Senator?

Mr. GREGG. I yield the Senator from Colorado 5 minutes.

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

Mr. BROWN. I thank the Chair.

Many Americans, as they listen to this debate, will think this is just another discussion in Congress about a budget with a lot of details.

Mr. President, it is not that. This is a discussion of the future of the Nation. This is a discussion of whether we follow the Clinton plan. Mr. President, the Congressional Budget Office, which the President has said is the right one to decide these things, has evaluated the Clinton plan. The Clinton plan increases the deficit from under $200 billion to in the neighborhood of $300 billion by the end of the 5-year plan and above $300 billion by the end of the 7-year plan if projections go on.

It is a debate between having a deficit at the end of 7 years of over $300 billion, according to President Clinton, or a balanced budget according to the Republican plan. Mr. President, it is quite simply a question of whether or not we bankrupt this Nation or whether or not we put it back on sound footing.

Members have come to the floor and talked about children. Mr. President, that is a fair evaluation. We ought to ask about the impact of these budgets on children. I hope every person, Democrat, Republican, or Independent, liberal or conservative, will ask themselves what are the consequences of bankrupting our Nation. That is what this question is all about.

And please do not kid yourself. There is no alternative to the Republican balanced budget plan. There is none, except President Clinton's bankruptcy plan. Now that is the difference that is being questioned here.

Hopefully, moderate Democrats will come together with a plan that also balances the budget. I personally would welcome it. I would be happy to look at their alternatives. But that has not been presented. Not once, not once in all the amendments that came up in the Budget Committee was that offered.

Mr. President, does it make a difference with regard to whether or not we adopt the Republican plan?

Let me point out in a world economy how the world reacted when they saw Republicans were willing to turn this Nation around. As a young man, when I was in the Navy and I visited Japan, there were 460 yen to the dollar. When President Clinton came into office, there were 130 yen to the dollar. Before the Democrats defeated the balanced budget amendment in the U.S. Senate, you can see the yen to the dollar ratio, somewhere a little above 97. When the Democrats defeated the balanced budget amendment, the yen-dollar ratio plummeted. We had one of the biggest movements of current situations of any time in our history.

Let me remind Americans that every working person in this country who buys a product produced overseas, there is an impact to that because it is instant inflation, it is an instant increase in cost, whether you buy oil products or you buy Japanese cars or other products.

What we saw was a world referendum on American policy. And what happened was one of the most dramatic drops in the value of the dollar at any time in our history. Within a few days, we lost 14 percent of the value of the U.S. dollar against the yen when the Democrats defeated the balanced budget amendment.

But take a look at what happened, Mr. President, when Republicans passed the balanced budget in the House of Representatives. It reversed. You had one of the biggest increases in the value of the dollar in history.

Take a look at the headline. This is Friday, May 12, from the Washington Times. The headline is simple and straightforward: ''Dollar Jumps in Biggest One Day Advance in Four Years.''

Mr. President, that is what has happened. That is what the difference in this is.

If you want to destroy the value of the dollar and you want to destroy the credibility of the United States in the world economy, adopt the bankruptcy budget from President Clinton. And I say that because it is perfectly accurate. It is exactly where that budget heads us to.

If you want to straighten it out and if you want a future for American citizens, if you want our children to have a chance to compete in the world market, then you will adopt the Republican budget.

Mr. President, I want to make one other point, because I know time is scarce. Mr. President, I am not a millionaire. I admire those people who have done well. But, Mr. President, I have listened over the last several days to a series of Democratic millionaires, many of whom inherited their money, won and earned by someone else, come to this floor and bash the Republican budget because of how kind it is to millionaires. Now, being lectured about the evils of wealth from Democrats who inherited millions of dollars, I think, challenges the credibility. But what challenges it even more is the fact that they misrepresent what this budget does.

The PRESIDING OFFICER. The Senator has used the allotted time.

Does the manager yield additional time to the Senator?

Mr. GREGG. Mr. President, I yield the Senator from Colorado an additional minute.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I think the point needs to be made that these millionaires, who inherited their money and have the audacity to come down and lecture Republicans who are working people, have misrepresented the facts. To suggest that the Republican budget provides tax cuts for the millionaires is absolutely false. As a matter of fact, the Boxer-Brown amendment that is included in the budget document specifically addresses the question of tax cuts and specifically allocates 90 percent of any tax cuts that might come down for those working people who earn under $100,000 a year. Mr. President, the allegation that they make is absolutely false.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BROWN. Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. Mr. President, what is the time situation?

The PRESIDING OFFICER. The remaining time controlled by the Senator from New Hampshire is 8 minutes and 45 seconds. The time remaining to the Senator from Nebraska is 31 minutes and 27 seconds.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, my friend and colleague, Senator DODD, will be speaking in a very few moments. Let me take this time to make some remarks on the procedures and what the hopes are on this side of the aisle.

Mr. President, I am very disappointed by the amendment that is before us, because I do not think it is particularly helpful but it creates political drama.

Yesterday I made a sincere offer to my Republican colleagues to work with them to craft a bipartisan budget. I offered the hand of friendship and the hand of reason.

This amendment, the first amendment offered by those on the other side of the aisle, is a stinging rebuke to that offer of bipartisanship. The Republicans have decided to begin their part of the budget debate with a bit of political theater, and we have seen that tactic vividly displayed this morning. Theatrics and voice quivering dramatics is not the stuff of which reasonable debate and a sound budget is reached. They seem to want to deflect attention from the priorities in the Republican budget by setting up a straw man and then knocking that straw man down.

Time and time again in the debate this morning, we Democrats have been accused by the majority, basically walking in lockstep, of wanting to make changes in the Republican-offered budget, that we are trying to be

helpful and reasonable in offering changes as an attempt by the Democrats to spend, spend, spend.

I think that anyone who has followed the debate thus far would have to concede that we on this side of the aisle are not spending, spending, spending, as has been accused in the theatrics that have taken place thus far on the floor of the Senate. What we are trying to do is to be reasonable, to restore some of the cuts on some of the most needy programs, to not allow the budget offered by the Republicans to do terrible harm in certain areas that I think we and, basically, most of the Republicans hold very, very dear.

We are trying to be reasonable, Mr. President. We are not trying to spend money. We are trying to alleviate some of the draconian cuts in certain programs that we think are very vital to the United States of America and the people that dwell happily therein.

Mr. President, I would simply say—and I want to emphasize once again—that we on this side of the aisle have not offered a single amendment on the floor, nor did we as Democrats in the Budget Committee offer a single amendment that basically changed the goal of balancing the budget by the year 2002 and making some necessary and painful cuts that we recognize and realize are vital if we are going to get to that point of balancing the budget in the year 2002.

I noticed in the debate this morning that there was much ado about nothing with regard to the continued reference to the fact that those on this side of the aisle, and at least one on their side of the aisle, prevented the balanced budget constitutional amendment to pass. Well, this is a Senator that rejects that proposal, rejects what I consider lack of reasoning, because as the Chair and everyone else in the Senate knows, this Senator has long sought a constitutional amendment requiring a balanced budget. I, and others on our side of the aisle, supported that when it lost by only one vote on the floor.

But we come back to the matter of what is reasonable, what is possible, what can be done. This confrontation that I see we are running into on that side of the aisle is back to, I think, what can be pointed to as the failure link, if you will, of the budget offered by the Republicans which the Republicans seem to be defending at every turn in the road. You cannot move a comma, you cannot dot an ''i,'' you cannot make a change. I do not believe that that kind of theatrics that we have heard this morning, that kind of rhetoric or that kind of what I consider lack of reasoning is beneficial to getting us to a place where we can balance the budget by the year 2002 and do it in a responsible fashion.

Congress received the administration's budget on February 6. The President, frankly, admitted that he invited Congress to come forward with its alternative, and the Congress has, so that we as a nation could begin our great discussion on the budget.

A lot of things have happened since February 6. For one thing, we had a thorough debate on the amendment to the Constitution that would have required a balanced budget. As I said, I supported that amendment, and so did nearly two-thirds of both Houses in recorded votes. So, of course, the political landscape has changed dramatically since the President submitted his budget on February 6.

As we stated on the floor of the Senate yesterday, there is a broad consensus in favor of balancing the Federal budget by the year 2002. All of the amendments offered on this side of the aisle in the Budget Committee and the debate that was held there, and with regard to what we will be offering later on today and next week, all are deficit neutral, as far as throwing us further into debt, expanding the debt, and all are designed to balance the budget by the year 2002, which is the central theme of the majority budget that has been offered. I said some good things about that yesterday.

I just simply want to point out, Mr. President, and have everyone understand that every single amendment that we offered in the committee and which will be offered on the floor of the U.S. Senate, to my knowledge, would have balanced the budget just as quickly and at the same time as the Republican-offered budget that seems to be sacrosanct in which no change, even one cent, can be made. We do not disagree about the goal of balancing the budget. What we disagree with is the priorities, or lack thereof, that has been set and made part of the budget process that has been offered by the opposition. This is a debate we should be having, and I look forward to our proceeding to that debate.

Because so much water has gone over the dam since then, I cannot support the President's budget as offered, and certainly it is not a starting point, but it was something that the President started and was required to do some months ago. I certainly was not enthusiastic about the President's blueprint when it was first offered.

As I said in my opening remarks, we on this side will offer perfecting amendments to the Republican budget to try to enter into a constructive process to improve the Republican budget. In my view, the President's budget should be handled in the same manner, but we all know the fate of that proposal. So there is no point whatsoever in attempting to amend it.

I have never been a Senator who blindly follows the President, regardless of party. In 1993, I worked hard to make changes in the President's budget. As a result of those efforts, the proposed cut in agriculture was significantly reduced. I would not—I would not—have supported the President's budget then had it not been changed along the manner that I suggested.

I can only hope, Mr. President, that as this debate continues, there will be some on the other side of the aisle who will choose not to blindly follow their leadership and who will vote against the Republican budget unless the hits, the unfair hits on some key proposals, are reduced. If those on that side of the aisle want to call that irresponsible spending—it is not true—they have to live with their words.

But the important part is that we need to start with the budget that has a chance of getting the votes to pass and then work to improve that document. The sooner we begin that process, the sooner we will start to get something serious and constructive done. The sooner we get to that process, the sooner we will end the political theater.

Mr. President, I yield 20 minutes to my colleague from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 20 minutes.

Mr. DODD. Thank you, Mr. President. Let me at the very outset thank my colleague from Nebraska, the ranking member of the Budget Committee. Let me also express my gratitude to the chairman of the Budget Committee, Senator DOMENICI, for whom I have a high degree of respect and regard. I just want to say at the outset that while I have disagreements with the budget proposal as presented by the Senate Budget Committee, the budget presented by the majority party in this body is substantially better than the budget presented by the majority in the other body. A great deal of attention has been focused on the so-called Republican budget, but I invite all to examine the significant differences that exist between Republicans in the other body and this body. There is a substantial difference.

While I said at the outset that I have my disagreements with this particular product, I want to begin my remarks by at least suggesting that the product that has been produced by the majority on this side of the Congress is a far more honest proposal, with numbers that I think are real.

Having said that, Mr. President, let me also say that I am disappointed that the first amendment to come up, to be offered by my friends on the other side, is to propose the President's budget. This is not a serious effort.

It is unfortunate, with a subject matter as serious as this is, to begin the process by putting forward a proposal that the President made and recommended—and that is what Presidents do, they recommend. Presidents do not sign these resolutions. There is no Presidential participation and no room for a veto pen on a budget resolution. Unlike other matters that will come before us, this is a matter for the Congress. The law requires that we deal with a budget resolution. Certainly the President's voice and his priorities are critically important in any discussion involving the budget. But to

have as the first matter of business a proposal more designed to garner a headline than to deal with the underlying problems does not speak well for the direction in which we begin this discussion.

What will ultimately be critically important is that there be some consensus developed, hopefully, on these matters. That is the only way in this body that you can move the ball forward at all.

So I am disappointed that we are consuming our limited time on an issue that really has very little legislative relevancy at all and, therefore, detracts from what we all should be engaging in, and that is a way to try to come to some consensus on these matters.

Earlier this year, our colleagues on the other side roundly denounced the President's budget as dead on arrival. Apparently, it is not quite dead because we are now considering it here. So it must be a bit like Lazarus. We are going to raise it from the dead only to try to kill it once more so we can achieve again the kind of headlines that will submit it to yet a further death. Maybe we can go through this during the next week or so to kill it and raise it, kill it and raise it, if that is going to advance the public awareness and knowledge of the problems of our budget. Having been denounced dead on arrival, it is apparently alive and will shortly be dead again.

I see my colleague from New Hampshire. Does he want to ask me to yield?

Mr. GREGG. I was just wondering, if I might ask the Senator from Connecticut, if it is the request of the Senator that we offer the President's budget next week as our second amendment?

Mr. DODD. I say to my good friend that I suspect if this keeps up, it may be the second, third, and fourth amendments. Maybe it will be the gift that keeps on giving, as we once described another amendment in the Budget Committee. Nonetheless, it is disappointing to this Member that that is the first matter of business that we have before us.

Let me say for the record—and, again, I say this more in sorrow than anything else—the budget proposal that is before us, the product of the Budget Committee, basically was crafted with one side alone being involved. The minority, our side, got our first look at this budget last week—38 days late, I might point out, by the law. This comes almost 6 months to the day after our friends on the other side have either known they were in power or have assumed power. They announced they would have a budget for us in December, January, February, March, April, and finally in late May, 38 days after the law requires it, the budget was reported by the Budget Committee. The budget was presented to the minority just last week—a day and a half after the Budget Committee began its consideration of the proposal. Now, the first amendment offered by the majority is an amendment that brings up the President's budget. So this looks more like theater than legislating, and I regret that that is the case.

It is clear that no Members of the majority here have any intention of supporting the very resolution they have asked us to vote on. So by definition this substitute will fail. So why are we wasting our limited time debating it, Mr. President? Why do we not talk about what really matters in this country?

A budget resolution, I point out, is much more than just a compilation of figures. Members of Congress are much more than green-visored number crunchers. A budget should be a road map for the future of this Nation. It plots the course we will follow as a country, and it should be the embodiment of our values and priorities as a people.

The values in the majority budget, the Republican budget plan, in my view, are wrong. It treats our people not as assets to be developed, but as items in a spending cut process. It burns, in my view, the bridges that ordinary Americans use, or hope to use, to cross over to a better life for themselves and their families.

American politics is about change, Mr. President. But it is not about this kind of change. This debate should be about how we build a stronger and a richer America, not just fiscally, as important as that is, but economically and socially and morally, as well. Using this standard, I believe the Republican budget proposal just does not measure up.

I would like to take a few moments, if I could, and provide some historical perspective on balanced and unbalanced budgets. Over the last decade, we have had a tendency to look at our current deficit and debt problems in isolation.

Contrary to popular perception, balanced budgets have not been a natural part of our national experience. There have been wide variations throughout the 200-plus-year history of our country in spending patterns. We have had surpluses, Mr. President, as high as 102 percent of Federal spending in 1835, and deficits as great as 89 percent of Federal spending in 1862, during the height of the Civil War. We have run deficits in half of our last 200 years as a nation.

Our current difficulties, I point out, are small relative to deficits that our Nation has experienced in the past. In 1983, at the height of our current deficit problems, the Federal deficit was 26 percent of overall spending. It is now about 13 percent.

This historical perspective is not designed, I point out, to diminish the severity of our current deficit problems. Quite to the contrary. Everybody agrees that we must reduce our deficits and bring our budgets as close to balance as possible.

Clearly, balanced budgets are desirable. I know of no Member here that believes otherwise. But they are not and should not be seen as our only goal. Providing economic and military stability, raising living standards, promoting adequate savings and investment, and reacting appropriately to unforeseen events are also critically important objectives. It is unrealistic to expect any great nation to achieve all of these goals in every given year. Yet, all are critically important goals for any great nation.

This economic reality has not been our experience alone. According to commentator Kevin Phillips:

> Among the group of seven industrialized nations, the United States has either the lowest or second-lowest annual budget deficit as a percentage of overall gross national product.

Having provided a historical perspective, let us remember for a moment, at least, how we got into this present mess that we now find ourselves in.

If we go back to 1981 when President Reagan was the leader of our country, and there was a Republican Senate, the majority then promised to—and listen to these words—''cut taxes, increase defense spending, and balance the budget by 1984.'' I am not making that up, Mr. President. Those were the words and language used more than a decade ago.

The majority is now making a very similar argument for why we ought to accept the budget they have presented us with. It did not work in the 1980's. Instead, as most Americans are aware, since 1984, we saw the national debt quadrupled in this country.

Our fiscal year 1996 budget would be in balance, Mr. President, if we were not paying the interest on the debt accumulated during the Reagan-Bush eras. We would be in surplus next year.

In January 1993 when the Governor of Arkansas, who never served in Congress, never served in the Senate, arrived in town as our newly elected President, what did he inherit? He inherited a $327 billion deficit for that year alone. He had to, and was committed to, clean up the fiscal train wreck of the 1980's. Just 27 days—not 38 days late under the law, but 27 days—after being sworn in as the President of the United States, President Clinton submitted a detailed budget plan that contained more than $500 billion in deficit reduction; 27 days after coming into office, this former Governor of Arkansas, who inherited the problem, made difficult and painful choices. The choices, in fact, were so hard that not a single Republican Member of this body supported his deficit reduction initiative. Instead, they attacked it and said, ''This is going to create economic havoc in the country and it is going to destroy our ability to have a growing economy.''

Yet, we know the opposite has proved to be the case. The President reversed the trend of the Reagan-Bush era. Then the national debt, as I pointed out a moment ago, was growing faster than the economy of this country. Now our economy, for the first time in a decade

and a half, is growing faster than the debt of this country. That happened without a single Member of today's majority voting for that deficit reduction plan.

The combined rates of unemployment and inflation have reached a 25-year low. Now, do not believe me, do not believe the talk you hear in the body of the U.S. Senate; talk to the people on Main Street and Wall Street in this country. The best evidence that President Clinton's budget plan provided the kind of leadership that he said he would is evidenced by what happened to the economy over the last several years. The marketplace is telling us that he did the right thing—not political rhetoric, but the marketplace.

The deficit is now at its lowest level as a percentage of GDP than at any time in the last 15 years, about 2.7 percent. Again, that is not rhetoric. That is not talk. That is a fact.

In February, the President submitted his 1996 budget and recommended an additional $81 billion in deficit reduction. The President recommended consolidating Federal programs, devolving Federal functions to the States, privatizing some functions that the private sector can perform at least as well at a lower cost, and terminating many programs that have outlived their usefulness.

The President's budget resolution was not designed as an end point. The President made eminently clear that we cannot succeed in reducing our deficits without reining in rising health care costs.

The identification of a $200 billion deficit problem as long as the eye can see in the future is right. My colleague from New Mexico has said that. He is correct. That $200 billion deficit item is sticking out there. But why is it sticking out there? It is sticking out there, we all know the reason, because of rising health care costs.

I say to my friends on the other side that the health care problem is not going to go away by just talking about Medicare. If we read the Contract With America—and again none of my colleagues here signed the so-called contract—we cannot find the words ''health care'' mentioned. The word Medicare does not show up in the contract. Yet we all know that health care is the 1,000-pound gorilla sitting out there that has to be addressed.

So the President, in his budget, recognized that fact. He said last year we did not get it done, we should try again this year and step up to the plate and deal with the issue.

With all due respect to my colleagues on the other side, the budget plan that has been presented ducks the genuine health care reform issue. Instead, it takes a meat ax to a Federal health care program, cutting more than $430 billion from Medicare and Medicaid.

The resolution provides no details of how these cuts are to be achieved, but says instead we will appoint a commission, a commission. That, in my view, is nothing more than an effort to disguise the problem rather than facing up to it ourselves. Our colleagues pin all their hopes on some outside group which will have the miraculous power to turn water into wine and to magically extract $430 billion from Medicare and Medicaid without causing any pain to anyone. Mr. President, it simply cannot be done.

Let us assume for a moment that this budget becomes law and that its assumptions are carried out. What will the America of 2002 look like? This budget may achieve balance. But, it would also, in my view, inflame our social and economic conditions. We may find the Holy Grail of a balanced budget, but will we have suffered enormous casualties in the crusade to get our hands on it?

Where will senior citizens be in the year 2002? After decades of hard work, many will face retirement years full of anxiety over medical bills. Medicare recipients, who, I might point out, Mr. President, have a median income of $17,000 a year, will live in constant fear that the next illness will bankrupt them or worse. Seniors will face higher deductibles, copayments, and premiums on the order of $900 a year as a result.

We can say this is only a cut in growth, but tell that to a person out in the country who is living on $17,000 a year or less. Let me point out, Mr. President, 95 percent of the 35 million people on Medicare have incomes of $50,000 or less; 7.7 million of the 35 million have incomes of $10,000 or less.

Last year, Medicare recipients paid almost $3,000 in out-of-pocket costs toward their medical expenses. This budget proposal will ask them to pay $900 more on average; $900 more in Medicare costs. These people cannot afford that.

We have got to come up with better answers to solve the overall Medicare problem. Do not tell me it will not hurt. Do not tell me it will be painless.

Every Member of this body has a health care plan. If we get sick, we are covered. We have incomes of $135,000 a year. To a person out there living on $10,000, $15,000, $14,000, $16,000 or $20,000 a year, this kind of increase in their out-of-pocket expenses hurts deeply. We have to do a better job.

Medicare is not the cause of the problem, it is the symptom. It is one feature. To put all of our eggs in the Medicare/Medicaid basket and say we have now solved the health care problem is to be totally unmindful of the magnitude of this issue.

Mr. President, when those who say on the other side of the aisle, ''Sorry, this is painful''—but we have spread the pain widely, they are not being fair to or honest with the American people. I say to my friend from New Mexico—and I respect him because he does not have the kind of tax cut in his proposal that exists on the other side—but how do we say to someone watching that House budget pass with massive tax cuts for the affluent on one hand, and massive cuts in Medicare—by far the largest in our history—that this is the least bit equitable. The surveys in this country say that Americans would like to have a tax cut. Everybody would. But we think deficit reduction is more important. And yet we will sacrifice the people on Medicare, people on Medicaid, for a tax cut. What kind of balance is that? What kind of fairness is that? That is not what people asked for in this country when they voted last fall.

Now, Mr. President, let me turn to education, because that is also a critical issue. It is the key to our society's and our economy's success. Ask any person in this country what is the single most important issue in many ways and they will say an educated society.

With income increasingly correlated with educational achievement, it is quite obvious. According to the New York Times, the wage gap between college graduates and high school graduates doubled during the 1980's. College graduates used to earn about 30 percent more than high school graduates. Today they earn 60 percent more than high school graduates.

Labor Secretary Bob Reich reports that every year of post-secondary education or training boosts earning power by 6 to 12 percent. It is not just a question of learning something, it is also economic power. It is the opportunity to climb out of a difficult situation that a family may be in. Education is the key to success. At a time when we should be devoting more resources to the 21st century needs of this Nation, in the year 2002 of this budget, we will be spending a third less than we are today—a third less, Mr. President—on education.

Ask the American public whether or not they think it is wise fiscal policy to slash the education needs of middle-income families. Half of all college students count on Federal financial aid to put themselves through school, but this budget puts them under the gun.

By 2002, interest will start accruing on student loans while students are still in school. These cuts will lift higher education out of the reach of many of American families. A million students, Mr. President, will lose their Pell grants. Other forms of financial aid will become scarce.

The PRESIDING OFFICER. The time of the Senator is expired.

Mr. DODD. Mr. President, I do not see my colleague to ask for time. We are out of time.

The PRESIDING OFFICER. The time of the Senator is expired.

Mr. DOMENICI. Mr. President, on that note, let me just say to the American people, there will not be 1 million Pell grants lost under the Senate proposal. We will prove that in due course, but that is a nice way to end the Senator's remarks, by making this commitment and observation to the people.

I yield to Senator GRAMM 8 minutes.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Texas.

Mr. GRAMM. Mr. President, I thank our dear colleague from New Mexico for yielding.

I want to make a couple of points about the President and his budget and his lack of leadership. I will only make a few points, because the President has decided to make himself irrelevant to the number one issue in the Congress by submitting a budget that over the next 5 years has the deficit explode up to almost $300 billion a year. Now, everybody has to understand that represents a total lack of leadership.

Now, let me begin by talking about the President's budget 2 years ago. It was a budget that raised taxes by $252 billion, taxed Social Security benefits on Social Security families that were earning over $30,000 a year, taxed gasoline, imposed a massive tax on small business. Yet what happened to the deficit? It went up. The deficit is rising.

If we went back and took away Bill Clinton's tax increase and took away the spending increases that have occurred since he has become President, the deficit would be lower today if there had been no tax increase and no spending increase. So it is true that Republicans voted against the Clinton budget because it raised taxes, and raised spending more than it raised taxes.

I think it is also important, since many people are going to talk about defense—we won the cold war. We tore down the Berlin Wall. We liberated Eastern Europe. We changed the world through the leadership of Ronald Reagan.

But if every penny of defense savings since 1985 had gone to deficit reduction instead of being spent, we would have a balanced budget today. So not only have we spent every penny of massive increases in taxes, but Congress and the President have spent every penny of defense savings since we won the cold war.

Finally, in terms of Medicare, I will tell you one thing about our Democratic colleagues and that is they are willing to take an issue where they have no standing and cloak themselves in righteousness on it. When the President proposed a 1,300 page bill to have the Government take over and run the health care system, to reinvent the greatest health care system in the history of the world in the image of the post office, the one part of the American health care system that he chose to exclude from health care reform was Medicare.

Now the Democrats tell us, look, you cannot possibly do what a bipartisan commission tells you that you have to do to prevent Medicare from going broke without having the Government take over and run the whole health care system. And yet, when they proposed that the Government take over and run the health care system, they exempted Medicare. So I am afraid their words simply do not have the ring of truth in them.

What has happened to the Federal budget? If we went back to 1950 and we looked at the growth of Government's budget relative to the growth of the budget of the average family in America we see a very, very clear picture. Government's budget at the Federal level has grown 2½ times as fast on average as the budget of the average family in America since 1950. Let me convert that into something I think people will understand. If you went back to 1950 and you had the Federal Government's budget grow at the rate that the family budget has grown in America, our Government today would be one-third its size. If the family budget, beginning in 1950, had grown as fast as the Government budget has grown, the average working family in America would be earning $128,000 a year today.

Now, I think if you ask most people if they would rather have that America or the one we have now, I think most Americans would prefer to have that America. But what the President is proposing, what our Democratic colleagues are proposing, is more of the same. The President is so committed to preserving the Government he knows and loves, programs which he has a political and emotional attachment to, that it does not matter that in the last 40 years those programs have failed. It does not matter that people on welfare are poorer, more dependent, and less happy today than they were in 1965. The President's answer is more spending on welfare.

It does not matter that Medicare is going broke and a bipartisan commission, appointed by President Clinton, says that by the year 2002, we will not be able to pay the bills because the average retired couple is going to end up having expenses of over $110,000 more over their lifetime than we have in the system to pay for their benefits. The President says not to worry about it; 2002? I guess President Clinton figures he will be out of office and the roof will fall on somebody else's head. This budget worries about it.

How do we deal with deficits? Basically, what the budget that is being offered on the floor of the Senate does is limit the growth of Government spending to 3.3 percent a year. In fact, if you look at this red line I have on my chart here, that is what Government spending in total looks like under the Domenici budget, the budget that the Democrats are here attacking, saying the world is coming to an end if we adopt this budget. Government spending grows every single day under the Domenici budget. It grows by 3.3 percent a year. And I submit there are a lot of working families in America who are not going to see their incomes grow by 3.3 percent a year. By limiting the growth of Government spending to 3.3 percent a year, we can balance the budget over the next 7 years.

Now, we have some people who say that is enough; that is as hard a job as we can do. I believe we can do better. I believe we should limit the growth of Federal spending to about 3 percent a year so we can do what the House has done, balance the Federal budget and cut spending further so we can let working families keep more of what they earn, and so we can provide incentives for job creation and economic growth.

Our people need less Government and more freedom. They need the opportunity to spend more of their own money on their own children. We need incentives for job creation. We can do that by adopting a budget which balances the budget but which cuts spending further so we can let people make investments.

I hope on Tuesday to give Members an opportunity to both balance the budget and to cut spending further so we can let people keep more of what they earn.

The PRESIDING OFFICER. The time of the Senator has expired.

Under the agreement of 15 minutes on each side before the vote at 10:45, the Senator from Kentucky.

Mr. FORD. Mr. President, I yield myself, on behalf of the ranking member of the Budget Committee, 1 minute.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, those not familiar with the workings of the Senate might find it strange that the first amendment offered by proponents of this budget resolution is one they will vote against.

Let me explain why. Last night, I heard one of the most disrespectful speeches I have ever heard on the Senate floor. I saw one of the most disrespectful charts I have ever seen. What I saw was disrespectful of the President of the United States personally and of the office of the Presidency.

The amendment before us is a further attempt to embarrass the President.

In January 1993, President Bush presented his last budget to Congress as required by law. That budget showed deficits climbing to $320 billion by fiscal year 1998. I do not intend to offer President Bush's last budget as an amendment, but I do ask unanimous consent to have a summary of that budget printed in the RECORD so the RECORD will show the contrast. Compare the numbers in the last Bush administration budget with the underlying amendment.

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

FINAL BUSH ADMINISTRATION BUDGET SUBMISSION, JANUARY 1993

	1992 actual	Estimate					
		1993	1994	1995	1996	1997	1998
Receipts	1,091.6	1,147.6	1,230.3	1,305.6	1,378.5	1,439.7	1,523.4
Outlays:							
Discretionary	534.3	548.1	537.4	539.1	539.1	539.1	539.1
Mandatory:							
Deposit insurance	2.6	15.5	16.2	−7.1	−14.9	−11.3	−6.9
Medicaid	67.8	80.5	92.9	107.8	122.7	138.8	156.4
Federal retirement	74.9	77.4	81.5	83.9	88.6	94.1	98.2
Means-tested entitlements	75.0	83.4	89.8	95.6	98.5	106.2	112.4
Medicare	116.2	129.9	147.8	166.3	188.5	211.4	235.8
Social Security	285.1	302.2	318.7	336.2	355.1	374.8	395.6
Unemployment compensation	37.0	32.7	24.7	24.4	25.5	26.3	27.4
Undistributed offsetting receipted	−39.3	−37.2	−39.0	−40.3	−41.5	−43.5	−46.0
Other	28.7	39.6	32.7	27.9	20.7	22.9	22.9
Subtotal, mandatory	648.0	724.1	765.2	794.9	843.2	919.6	995.7
Net interest	199.4	202.8	220.1	244.1	262.5	286.0	308.4
Total outlays	1,381.8	1,474.9	1,522.7	1,578.0	1,644.8	1,744.7	1,843.2
Deficit (−) excluding MDA sequester	−290.2	−327.3	−292.4	−272.4	−266.4	−305.0	−319.8
MDA sequester savings (includes PAYGO and debt service savings of $1.7 billion in 1994 and $1.8 billion in 1995)	NA	NA	22.4	42.8	NA	NA	NA
Deficit (−) including MDA sequester	−290.2	−327.3	−269.9	−229.6	−266.4	−305.0	−319.8
Memorandum							
Surplus or deficit (−) (excluding MDA sequester savings):							
On-budget	−340.3	−379.9	−354.8	−342.6	−348.5	−395.6	−422.9
Off-budget	50.1	52.6	62.5	70.3	82.1	90.7	103.1

Note: The following estimates exclude an MDA sequester. If existing MDA's are not adjusted, the 1994 deficit would be lower by between $23.2 billion and $50.0 billion, and the 1995 deficit would be lower by between $21.8 billion and $71.4 billion.

The PRESIDING OFFICER. One minute has expired.

Mr. FORD. Mr. President, I ask 1 additional minute.

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

Mr. FORD. What a difference 2 years has made.

What it means to me is also a loud signal that those on the other side of the aisle have no intention of developing a bipartisan approach to deficit reduction. I think that is regrettable.

I do not intend to vote for either the pending amendment or the underlying budget resolution. It is still my hope that we can find a bipartisan solution at the end of the day. But not by offering amendments like this one, for political purposes.

I think it is unfortunate and I urge its defeat.

Mr. BYRD. Mr. President, I have reluctantly concluded that I cannot support the President's budget as submitted. The major change that should be made to his budget, in my judgment, would be to eliminate his proposed tax cut and, instead, apply the amount that would be required for this purpose toward deficit reduction.

The President deserves great credit for his leadership in proposing a major deficit reduction package shortly after he assumed office in 1993. That deficit reduction package was subsequently enacted into law without one Republican vote in either the House or the Senate. It resulted in deficit reduction over a 5-year period of approximately $500 billion.

I note that in this year's budget submission, however, the President's budget proposals would result in a continuation of annual deficits in the $200 billion range for each of the next 5 years. I think that we can, and must, do better. The place to start is to restrain ourselves from making the easy choices like tax cuts and instead make the difficult choices that may be necessary and apply any savings to deficit reduction.

Mr. GRASSLEY. Mr. President, there are two starkly different budgets before us that would move this country in opposite directions. First, there is the Republican budget now before this body. That budget offers a vision for the future. Under that plan the deficit would slowly decline until it would disappear in 2002. It is the only budget with a vision and a future. It would balance present-day needs with long-term needs for seniors, for children, for the needy, and for the taxpayer.

There is another budget before us, Mr. President. It is the President's budget. And his budget moves in the opposite direction. Under his vision of the future, deficits would rise as far as the eye can see. His direction would be devastating to our children and grandchildren, and to America's future. It would saddle future generations with an additional $1.7 trillion in debt over the next 5 years.

I have not seen a more irresponsible budget proposed by a President since the Rose Garden budget proposed by President Reagan in 1984. That budget did nothing to attack the deficit. This one does even less.

The President's budget submission represents an abdication of leadership by the President. At a time when he could have carried fiscal responsibility across the goal line, he punted. He took a walk. He decided to play Pontius Pilate and wash his hands of the matter.

Mr. President, I hope this budget is soundly defeated. This body has to send the message that the direction taken by this President in his budget is unacceptable. It represents abdication, retreat, and failed leadership. It represents the triumph of business-as-usual over vision. I urge its defeat.

Mr. ROCKEFELLER. Mr. President, just this week my Republican colleagues, belatedly, unveiled their budget priorities to the American people and the U.S. Senate. Their priorities are expressed in Senator DOMENICI'S budget proposal which is now pending on the Senate floor. The loss leaders in this Republican budget are the basic health programs protecting our Nation's senior citizens, poor children, the disabled, and pregnant women, also known as Medicare and Medicaid. Historic levels of cuts in these programs—$256 billion out of Medicare and $175 billion out of Medicaid—make the major contribution to the deficit reduction in their proposal. Education gets hit hard, as do other investment priorities I care about, like job training. Our Nation's veterans lose. Working families who depend on the earned income tax credit lose. In my judgment, the people of West Virginia, whom I represent, lose under the Republican budget proposal. Nevertheless, the Republican budget priorities are here. Their budget is finally on the table and the subject of discussion and debate in the U.S. Senate. Is that what Republicans want to debate and talk about? No.

The Republicans' first order of business during the floor action of their budget has been to exercise their parliamentary right to offer the first amendment. Their first amendment, offered by the chairman of the Budget Committee, Senator DOMENICI, is to substitute the President's fiscal year 1996 budget for their long-awaited proposal. It seems rather odd to propose a complete substitute for their much anticipated proposal before there has been any real debate on the Senate floor about what is in their proposal—who wins and who loses under their plan. And it is even more extraordinary that my Republican colleagues would choose to move to adopt the President's budget proposal as a substitute, after purporting to have just outlined their version of a responsible budget before the Senate. Why have they asked the Senate to vote on the President's budget before any meaningful

discussion has ensued about the details of the Republican budget proposal? Why have they changed the subject?

This amendment is nothing more than a political ploy. I suppose it is meant to make the point that the President's budget would not garner a majority of votes in the Senate. But we already know that. They are not going to vote for it and they are the majority of Members of this body. Undoubtedly, their proposed amendment will fail, regardless of how Democratic Senators vote. So they must be using their parliamentary right purely to make a political point. A point which seems obvious to me.

I believe they have chosen to pursue this strategy because they want to distract the American people, the Senate, the media, from what ought to be the focus of our budget debate—the affects of the Republican budget proposal on the budgets of America's working families, seniors, small businesses, students, and on the investments I believe are important to the job creation and job growth.

They do not want to talk about the details of their plan. They want to talk about somebody else's plan. They want to score political points. Well, much as they seem to dislike the fact that they are now being asked to produce the details of their budget and explain what their priorities are, it is their responsibility to do so. They are the new majority. We made tough choices when we were in the majority. We produced consistent deficit reduction. Under Democratic congressional leadership we reduced the deficit by over a trillion dollars in the last 5 years. We have met the challenge. It is their turn to lead.

Their first response is to say let us talk about something else. Well that is just not good enough. They have a duty to explain what is in their proposal and why. They have yet to do that in any meaningful way, despite a slew of opening statements given on the floor today.

For instance, we have heard people suggest the Medicare Program's growth is out of control and that is why it ought to be restricted. That is not the real reason the Republican budget slashes in Medicare. The real reason, I believe, is that they need huge amounts of Medicare cuts to pull off balancing the budget on their arbitrary timetable. The truth is Medicare's growing at the same rate as the health care costs of other Americans, including our health care costs of those of us here in Congress, maybe a percent higher. That is hardly way out of sync with the increases that individual Americans are coping with, and it is to be expected when we have yet to address the country's basic need for fundamental health care reform. So why the need to zero in on Medicare for mammoth cuts—to pay for an irresponsible and unfair tax cut for the rich.

I would be derelict not to note that our failure to deal with the complicated issues of health care reform last year means that our deficit problem is even greater. Indeed, the major complaint about the President's fiscal year 1996 budget—that it does not produce sufficient deficit reduction—would be moot if we had achieved comprehensive health care reform last year. As Democrats have been warning for years, and as President Clinton insisted throughout his campaign, if we don't deal with our Nation's health care problems which affect our families, our businesses, our children and our seniors, and each of our Federal health programs, we will never get the deficit under control. I would like to believe that the Congress is still willing to step up to the health care challenge, although outside of rhetoric and a forced march to meet a predetermined budget target, I have not seen any evidence that my Republican colleagues are in fact willing to step up to the plate.

I wish that was not the case, but I have to tell you what I believe to be true.

Finally, I want to point out that even without reaching agreement on comprehensive health care reform, if the President's budget proposal had not included an additional tax break for working class families it would produce continued significant deficit reduction. The basic building blocks of the President's budget proposal focus on all the right priorities—it delivers on two promises to West Virginia and the rest of America:

It comes through with funding for what matters most to our State: jobs, health care, fighting crime, and children. It has more money for highways, for education, and for job training.

The President's budget proposal also continues to cut wasteful spending. It mothballs 130 programs that the President thinks should be shelved. It is a tight-fisted budget aimed at continuing the efforts of OBRA93 to cut the Federal deficit.

But I recognize what is going on here. So do my colleagues, and so should the American people. I will not dignify the Republicans' attempt to shift the debate from their budget to an alternative that has no hope of passing with my vote. This important debate is about priorities. And it is their turn to explain theirs. I do not share them, but I have yet to hear an articulate defense of the details of their proposal.

To conclude, I will vote against Senator DOMENICI's amendment to substitute the President's fiscal year 1996 budget for the hard-hearted, extreme proposals in the Republican budget plan—regarding which they seem unwilling to discuss in any careful detail. I will vote no despite the fact that I believe the President's budget, and therefore the amendment, would be a much better basis for a discussion of our national goals and priorities than the underlying Republican budget we have before us today, if only because it does not devastate the Medicare and Medicaid programs on which 70 million Americans rely for their health care.

I am interested in hearing the Republican's explanation of how they believe their budget puts the emphasis where it belongs: on our Nation's economic development, jobs, health care, crime, and children—or why it does not. That is the kind of Federal budget that deals with the day to day needs of West Virginia and that is the only kind of Federal budget which I can support.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I yield myself such time as I may consume.

We are about to vote on the first amendment in this budget resolution debate. Let me say, as far as most of us on this side of the aisle are concerned, it is not a serious vote. This is purely political gamesmanship. It is a rite of every budget year. Democrats did it when Presidents Reagan and Bush were in office, and now our Republican colleagues are taking their turn.

This is not a serious vote. This vote has nothing to do with the budget resolution that is on the floor of the Senate. The Budget Committee has reported its resolution. That is the operative document. That is the document that will guide congressional action.

That is the document Senate Democrats find defective, and are seeking to improve with a series of amendments that we will be offering over the course of the next 3 or 4 days.

The budget resolution is a congressional document. It is not presented to the President, and it does not require his signature. It is our internal guideline.

The next stage will involve the President for he must sign or veto the reconciliation bill. The President has already indicated his willingness to work toward a common solution, a bipartisan solution. But he has been very clear about the conditions which must be met.

The Republicans must abandon their tax cut that favors the very rich. If there is to be a tax cut, it must be targeted to the middle class, and it must be paid for.

Second, the Republicans must rescind their tax increase on working Americans. We simply cannot accept a tax increase of $1,500 per year on those people who are struggling just to stay off welfare.

Third, the Republicans must restore their cuts to education. Asking college students to pay an additional $3,000 a year is simply wrong.

Fourth, any changes in Medicare must take place in the context of overall health care reform. We have said that over and over again. A $256 billion cut in Medicare is draconian.

The stock market yesterday went down 82 points, and a lot of us have been convinced that is simply senior citizens selling their stock to pay for Medicare insurance in the next several years.

Those conditions are the reality of the budget. Those issues will be the

ones that define this budget year. Those are the issues that count with all Americans.

But this current vote has nothing to do with reality. It is a meaningless political gesture.

In light of this, I urge my colleagues to vote no on this amendment. I suggest we not dignify this vote by taking it seriously.

I yield the floor.

Mr. DOMENICI. Mr. President, do they have any additional time?

The PRESIDING OFFICER. There are 10 minutes remaining on that side, and 15 minutes remaining on the other side.

Mr. DOMENICI. I understand our 15 is our wrap-up time.

Mr. DASCHLE. I yield such time as he may consume to the distinguished Senator from Connecticut.

Mr. DOMENICI. Might I take 30 seconds of my time and then yield?

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

Mr. DOMENICI. I just wanted to say most of us think the reason the stock market went haywire is the President threatened to veto a rescissions bill which means that he is not going to sign a reconciliation bill which means we are going to continue the deficit spending for as far as the eye can see. I think that is what the stock market saw yesterday.

I yield the floor.

Mr. DODD. Mr. President, first of all, let me thank the distinguished Democratic leader.

Let me say at the very outset, that I want to commend the Democratic leader for his work putting together packages which we will be able to raise in the next few days highlighting our disagreements with the budget proposal as submitted by the majority party. Let me also underscore the points that the minority leader has made; and, that is, that if our colleagues on the other side will drop their tax cut proposals and be willing to deal with comprehensive health care reform, if they will not take a meat ax to education and the working poor, I am confident that we can put together a budget here that would get us to a balance hopefully by the year 2002, and, if not then, shortly thereafter and do it in a meaningful way.

I have already talked briefly on the issue of Medicare, and education. But under the proposal being submitted to us by the Republican majority, 12 million working poor Americans will face increased taxes in the year 2002. These working families who are trying to play by the rules and to provide for themselves and their children near the poverty level will face a tax increase in the form of a reduction in the earned income tax credit. They will pay on average $350 a year more in additional taxes in the year 2002.

This unfair and shortsighted deficit saver will make welfare look even more attractive compared to low-wage work, and people working full time at a minimum wage will not be able to lift themselves out of poverty.

I have said for years the best social program anybody came up with is a job. Here we have an awful lot of people who are living on the margins in this country. The earned income tax credit has been one of the most successful programs in providing economic relief to people living on the margins. President Reagan called it the best idea we have for assisting people at the margins.

Our colleague and chairman of the Budget Committee has heralded the success of the EITC in the past. There are problems. I do not disagree. We ought to deal with those problems. But to change this program and to take $21 billion out of it at a time when we are going to be talking about welfare reform, when we are trying to lift people out—not temporarily, but permanently off public dependency—does not make any sense. Those not benefiting from economic growth are going to find themselves falling further and further behind.

Since 1979 the bottom 20 percent of Americans, by income, have seen their real wages plummet 17 percent. We have expanded the earned income tax credit to address this dangerous trend on a bipartisan basis. I would point out that by gutting the credit the Republican budget will only make matters worse.

Working Americans are going to find themselves increasingly cut off from the American dream in the year 2002 if this budget is approved. Who is going to be better off under this proposal? The well off or the best off in this country are going to do relatively well.

The budget leaves the door wide open to a tax cut along the lines approved by the House. More than half the benefits in that package flow, as we know, to people earning more than $100,000 a year. Here we are talking about people at the low-income level who are working today, not living on welfare, not getting AFDC, trying to make ends meet, trying to take care of their families. And we are going to hit them with a $21 billion hit while we are providing relief for many people making $100,000 or more. I do not fault anybody in that income category. Everybody wants to be in that income category. But to get there you have to make the investments. You have to give them a chance to get going.

Here we have a budget proposal that goes after people right on the fringes, and to pay for that we take people at the upper-income levels and we give them a tax break. What kind of logic is that? What does that say about the direction we are heading in as a country in the year 2002?

Mr. President, almost 60 years ago we heard another American President, Franklin Roosevelt, say:

> In every land there are always at work forces that drive men apart and forces that draw men together. In our personal ambitions we are individualists. But in our seeking for economic and political progress as a nation, we all go up, or else we all go down, as one people.

In my view we should heed this wise advice as we prepare to close out this century and begin the 21st century.

This budget resolution gives to the strong at the expense of the weak. It provides relief to those least in need of it at the expense of those with nothing extra to spare. It is not a road map to a place that we as a nation should go. I certainly hope we come to our senses and choose a different course than the one proposed by this budget. It is not just a question of knowing the price of everything but knowing the value of things as well.

A generation of Americans benefited from the GI bill. Today, if we were to pass the GI bill, it would cost $9,700 for every recipient. That is what those dollars meant in the latter part of the forties and early fifties. How many people in this country benefited? How many families today are better off because that investment was made? Those were hard dollars to vote for. Yet, we grew as a country. We benefited as a country.

VA mortgages—2-percent loans gave people in this country a chance to buy their first home. How many people today are doing better, have good homes because they got a start? How many people got jobs in building those homes? Those were investments we made in people.

Today we have to think along similar lines to make those investments in education, in growth, in opportunity. The best deficit reducer in the long-term is a growing economy.

So we ought to keep that in mind as we go through this process of deciding the kind of investments and cuts to make.

Again, Mr. President, there is no debate about deficit reduction in this body, none that I know. We ought to get there as soon as we can but do so with moderation, intelligence, and sensitivity about what makes a great country stronger. Fiscal responsibility is a critical element. Investing in education, in health, in social progress also contributes significantly to a strong country.

My deep, deep fear is that the budget proposal I am fearful we are going to adopt takes us in the opposite direction. I say that in all due respect to its authors, but I think this is a time to be coming together in seeking some common ground as to how we can put a proposal together that allows us a deficit-neutral society, creating surpluses, but does so in a way that grows America and gives this next generation an opportunity to enjoy the dreams and visions that this Nation ought to be providing.

So with that, Mr. President, I yield the floor and look forward to the debate next week.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time do we have remaining?

The PRESIDING OFFICER. The Senator has 14 minutes 40 seconds.

Mr. DOMENICI. I yield 7 minutes to Senator SNOWE from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. I thank the Chair. I thank the chairman of the Budget Committee, Senator DOMENICI, not only for yielding me this time but, as a member of the Senate Budget Committee, I have certainly appreciated the leadership he has provided on this most serious and critical of issues.

I am a little surprised by what the Senate minority leader mentioned earlier when he said that offering the President's budget which he offered this year for fiscal year 1996 was really empty, meaningless, and not a serious gesture.

What is that saying, that the President was not serious about offering his proposal to the American people to address deficit reduction and, indeed, balancing the budget for future generations?

I think it is a sad commentary to suggest that the President is not serious in engaging in this issue. Is he suggesting that the President does not want to be relevant in balancing the budget and joining Congress in doing what is important for the American people?

I think it is very much a fair comparison because we have heard over and over again about the proposal that came out of the Senate Budget Committee. We worked very hard. We wanted a bipartisan agreement. But the administration's proposal is a monument to status quo. The irony is that the administration has referred to the Republican budget resolution, which achieves a balanced budget through serious deficit reduction by the year 2002—that is what, in fact, many of the minority Members of the Senate have indicated during the debate on the constitutional amendment to balance the budget, that they did want to balance that budget by the year 2002. They just did not want a constitutional amendment to balance the budget. But the administration and administration officials have referred to our budget as ''dumb and dumber'' and ''clear and present danger.''

Frankly, if the administration would like to invoke a film fee, I would be happy to oblige them because, due to the years and years of deficit and red ink that the President extends in his budget into the next century, I certainly would describe the President's budget as the ''crimson tide'' because that is the legacy the President is leaving future generations. That is in fact his budget. It is a sea of red ink.

Compare that to what we have offered in the Senate Budget Committee—responsible deficit reduction that does achieve a balanced budget by the year 2002. I think it does not take an Einstein to figure out who is doing something for the future of this country, for the future of children and seniors and the stability of this country. Do we leave a monument of red ink to future generations just beyond the turn of the century that will require them to pay an 82-percent tax rate to finance this red ink that is in President Clinton's budget? Or do we do something now so that they can have a better future and invest in the priorities that everybody wants this Nation to invest in, such as education and health care and our infrastructure?

They cannot do that with the President's budget, because it is a sea of red ink. So I am dismayed that the President offered a budget that was not serious in reaching and achieving a balanced budget by the year 2002. The fact is the President is offering $2 trillion by the year 2002 in additional debt. Even the Washington Post had this editorial comment a day after the President released his budget, and I quote:

> It is troubling that he has now decided to take a holiday from the hard and painful responsibility to keep working the deficit downward. The issue is this country's future standard of living.

Even the distinguished ranking member of the Senate Budget Committee said earlier today that he was not enthusiastic about the President's plan. In fact, he noted a month or two ago ''In the administration's failure to chart a new fiscal course for our Nation,'' he said, ''the President dropped the ball by offering a budget that falls short, way short of the deficit reduction we need.''

This budget tells a tale of two Presidents, one who promises a balanced budget and another who fails to deliver; one President who promises deep cuts in the Nation's deficit and another who oversees a more than doubling of the predicted deficit in the year 2004; and one President who promises middle-class protection and another who saddles the middle class with increased per capita debts, increased taxes on Social Security benefits and increased taxes on those who own family farms and small businesses.

Simply put, there is a nagging fundamental disparity between what this President says and what he does. It reminds me of the Shakespeare quote ''action is eloquence.'' If that is the case, we better tongue-tie the administration when it comes to budget policy and economics.

President Clinton made a statement on April 15 in which he presented a three-point legislative priority list which included welfare reform and crime, but he also mentioned tax and spending cuts that both reduce the budget deficit and the spending deficit. But you would not know that reducing the deficit was even one of the President's legislative priorities because, again getting back to this chart, he has $200 to $300 billion in annual deficits between now and the end of this decade and beyond into the next century.

The President had said in February that his budget plan will by 1997 cut $140 billion in that year alone from the deficit.

Well, that being the case, it must have been another President that crafted the budget plan for the next 5 years. According to the reality-based reestimate by the Congressional Budget Office, the 1996 budget deficit will be $211 billion, not the $197 billion the administration projected. The 1998 deficit will rise to $231 billion, not the $196 billion projected by the administration, and the 1999 deficit will reach an estimated $256 billion, a far cry from what the administration projected of $197 billion.

And if that is not bad enough, we have to look at the year 2000. CBO says the deficit will reach $276 billion rather than the $194 billion projected by the administration. That is almost a $100 billion difference in the deficit between what the administration projects and what the Congressional Budget Office estimates.

The PRESIDING OFFICER. The Senator's time has expired.

Ms. SNOWE. There is no question as to where we need to go and who is being responsible for the future of this country.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President and fellow Senators, first of all, I offered this amendment after asking if any Democrats would like to offer it, so I would like to make that very clear. I do not like to introduce the President's budget. I am not for it, but I thought it deserved a vote. Normally, we vote on Presidents' budgets whether we agree with them or not. When they did not agree with the Republican Presidents' budgets, obviously, they were offered just for the same reason—to see how many people really supported it.

But equally as important, the press secretary for the President on May 15 said, and I quote:

> It would be a good place to begin. It's better than what they're talking about.

So I do this to oblige. Since, speaking for the President, his is better than ours, we would like to have a vote and see.

Now, Mr. President and fellow Senators, there are 2 approaches to the future of our country, not 15 or 20. There are two at this point in history: This one, the President's budget—the President's budget surrenders to the deficit, makes few if any hard choices—and the Republican budget which I was privileged to help craft with many Members and many task forces, this budget.

Now, this budget is a budget for the future.

This budget is a budget of the past.

This budget changes things.

This budget is the status quo.

This budget says the future generations should not be taxed without representation—little children born today should not be taxed without representation.

This budget says we will tax the next generation. We will tax every man,

woman, and child who is working today to pay for programs that we insist on spending their money for even though they are not even around to be consulted, they are not being asked, and they may not even know that they are being taxed without representation. Because, indeed, we just continue to borrow money and say, ''You pay for it.'' This budget says, ''We'll keep borrowing money. Kids cannot complain anyway. Children cannot vote anyway. Children are not even going to be heard on this budget. But we are going to keep on taxing them by taking away their standard of living, by making them have to work ever harder and ever longer to pay for this budget and the programs that we refuse to restrain, reform, make relevant, or get rid of duplication.''

This budget says the Government of the United States can continue to grow. Our responsibility to millions of Americans will continue. This budget says, make Medicare solvent. This budget says we want Medicare not only for the current seniors but for seniors yet to join and need it for their health care. This budget says we want to help the poor in our States who need health care because we are going to have a program that can be sustained, that we can afford.

This budget says to keep on paying for a Medicaid Program that we cannot afford. Sooner or later, 2, 3, or 4 years from now, we will have to say to the poor people that get Medicaid, ''We can't afford it anymore.''

This budget says start fixing it right now.

So, fellow Senators, let me suggest that we hear a lot about our senior citizens. And we say to them, ''When all of this is over, you will have a Medicare Program. It will be as good or better than the one you have now.''

We say to the poor, who are getting health care from Medicaid, ''You will have a program and it will be better than the one now.'' And, yes, we will say in one loud voice, ''There is a future with an increased standard of living and opportunity,'' if you adopt this budget, the Republican budget, and fail to adopt the President's budget which is pending before us today.

Many comments have been made today about various programs. We do not have an opportunity to answer right in the middle of these speeches, but before you pass judgment on education and what reforms we have recommended on Medicare, Medicaid, and on the earned-income tax credit—which, incidentally, will grow at 40 percent while some are talking about it being cut—wait for the details. We will discuss them one by one with the American people.

But, for now, we have an opportunity to reject a status quo budget, a budget of the past, and set in motion the budget of the future.

I yield to Senator STEVENS, who wants to make a unanimous-consent request.

I yield to the majority leader whatever time I might have remaining.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

VISIT TO THE SENATE BY MEMBERS OF THE BRITISH-AMERICAN PARLIAMENTARY GROUP

Mr. STEVENS. Mr. President, I ask unanimous consent that our guests, who are members of the British-American Parliamentary Group, be permitted to remain on the floor during the period of this coming vote.

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

Mr. STEVENS. I want to introduce to the Senate the Right Honorable John MacGregor, who is the chairman of the British group; Derek Conway, a Member of Parliament; the Right Honorable Sir John Cope, a Member of Parliament; the Right Honorable Lord Rees, who is Queen's Counsel; Joe Benton, a Member of Parliament; Judith Church, a Member of Parliament; Roger Godsiff, a Member of Parliament; and Roy Hughes, a Member of Parliament.

All of these people are guests for this weekend for conferences on matters of mutual concern to the British Government and our Government.

Please welcome them.

Thank you.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

Mr. DOLE. Mr. President, I ask unanimous consent that I may use 5 minutes of my leader's time.

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

Mr. DOLE. Mr. President, first let me quote from what I consider to be a fairly reliable source.

> The budget which came from the President said, ''I've given up; that as long as I am President of the United States there will never be a balanced budget.'' That is an astonishing statement.

That quote came from former Senator Paul Tsongas, Democrat of Massachusetts, cochairman of the bipartisan antideficit Concord Coalition.

Another quote from our former colleague, Senator Tsongas:

> Let me say as a Democrat it's very easy for Democrats to poke fun at what these two people [Senator PETE DOMENICI and Representative JOHN KASICH] are doing because, unlike our party, they've decided to really address this issue. And the fact is, they're prepared to put a balanced budget amendment on the table. The balanced budget amendment died because of the Democrats—not because of the Republicans, not because of the vote in the Senate, and we Democrats are equally responsible to our kids.

That was not a statement by BOB DOLE or anybody on this side of the aisle. That was a statement by Senator Paul Tsongas, who used to grace the Senate Chamber. He was seated on the other side of the aisle. I think he speaks volumes in just these two statements.

Along with Senator DOMENICI, I was on the House floor yesterday for that historic vote when they adopted the resolution that will put us on a path for a balanced budget by the year 2002.

It was a very exciting moment, and we hope to repeat that moment in the Senate sometime in the early afternoon next Wednesday.

We will be here late, late, late Monday night and late, late, late Tuesday night, so we can finish sometime midafternoon on Wednesday.

After the vote in the House yesterday, the President issued a statement, saying, ''There is a right way and a wrong way'' to reduce the deficit, and the House plan was ''The wrong way.''

Americans have a right to ask, if the House plan was the ''wrong way'' and if the Senate budget resolution is the ''wrong way,'' then just what does President Clinton define as the ''right way'' to reduce the deficit?

He would not even let us save $10 billion in the rescission package. He threatened to veto that because it does not meet his standards of higher spending.

Well, the only evidence we have of what he believes is the right way is what he proposed, and that is the question now before us.

As Senator DOMENICI said, he asked if any Democrats wished to offer the President's budget as an amendment and they declined, so he did it to make a point. The point is the President does not have a plan, a credible plan. And the point is, the Democrats do not have a credible plan.

Their plan is to attack Republicans, attack Republicans, attack Republicans—we are out there cutting Medicare; cutting everything to help the rich. That effort has been tried for years. It is called class warfare. It was tried in 1994—and we liked the results. And maybe it will be tried again in 1996.

I assume the President was serious about his budget plan when he proposed it. We learned a number of things about what the President apparently believes is ''right.''

The President believes that, as Senator Tsongas said, the status quo is right.

The President believes it is right to take no action and let the deficit continue, $200 billion a year as far as the eye can see, well into the next century.

The President believes it is right to allow entitlement spending to consume 57 percent of total spending by the year 2000.

The President believes it is right to ignore his own trustees' warning of the impending bankruptcy of the Medicare Trust Fund, and to take absolutely no action to preserve, improve, and protect Medicare.

And, Mr. President, I have a suspicion of something else the President has proven he believes is right. He said

yesterday he is ''Eager to work with Congress'' to reduce the deficit, and since his budget refused to do that by reducing the growth of Government spending, that can leave only one possible answer: Tax increases; tax increases.

Are we going to be told by the President, ''Well, we have to balance the budget. This is the wrong way. The right way is to do what I did in 1993, have a big, big $255 billion tax increase''? I have not heard any other options. We have to conclude something.

The only conclusion I can reach is the President does not want to balance the budget, does not want to cut spending, does not want to preserve, protect and improve Medicare. So it seems to me we have been waiting now 11 days since we proposed our balanced budget plan. We have not heard a word from anybody on the other side of the aisle. We have not heard a word from the President, and the deficit has increased $4.9 billion since we submitted our balanced budget plan.

Is our plan perfect? No, but it is an honest effort to transform Government to make it smaller, to make it smarter, to make it more sensitive, to make it more responsive, to make it less expensive and to reverse the 40-year tide of power to the Federal Government.

Let me say, we look forward to next week. I guess you could say we are prepared to make the tough decisions, the President will not make any decision. That is a clear difference in party philosophy: Do not make any decisions, come to the floor and complain about what happens to senior citizens, children, veterans, farmers and everybody else, but do not worry about the next generation, do not worry about your grandchildren, do not worry about your young children. It will all be taken care of by red ink, as the Senator from Maine, Senator SNOWE, just pointed out.

It seems to me that if we want status quo policies, I guess we can have those, if the Democrats prevail. But what we need to do right now is defeat the President's budget and then have serious debate on the balanced budget proposed by the distinguished Senator from New Mexico, Senator DOMENICI. It is not because it is good political theater, as some have suggested, but I think it is time to do the right thing.

I think the President, in his inaugural address, used the word ''change'' 11 times. Apparently he is out of change. He does not want any more change. He wants the status quo: ''Do not cut farm subsidies, do not do this, do not do that, do not cut anything until after I am reelected in 1996.''

I do not believe that will sell. I believe the American people are ready—they have been ready for leadership on the budget. We have had a lot of leadership on the other side over the years on the budget, and I am still hopeful we will still have leadership on the other side on the deficit.

We ought to be in this together. But this is the first step. This is the first vote. This is a defining vote, and I urge my colleagues to vote against the President's budget.

I 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.

ORDER FOR RECESS TO GREET VISITING PARLIAMENTARIANS

Mr. STEVENS. Mr. President, I ask unanimous consent that following the announcement of the results of this vote that the Senate stand in recess for 3 minutes in order that Members of the Senate may greet the parliamentarians who are on the floor.

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

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. Under the previous order, the hour of 10:55 a.m. having arrived, the Senate will now proceed to vote on amendment No. 1111. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from California [Mrs. BOXER] is necessarily absent.

The PRESIDING OFFICER (Mr. SHELBY). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 0, nays 99, as follows:

[Rollcall Vote No. 172 Leg.]

NAYS—99

Abraham	Feinstein	Lugar
Akaka	Ford	Mack
Ashcroft	Frist	McCain
Baucus	Glenn	McConnell
Bennett	Gorton	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Gramm	Moynihan
Bond	Grams	Murkowski
Bradley	Grassley	Murray
Breaux	Gregg	Nickles
Brown	Harkin	Nunn
Bryan	Hatch	Packwood
Bumpers	Hatfield	Pell
Burns	Heflin	Pressler
Byrd	Helms	Pryor
Campbell	Hollings	Reid
Chafee	Hutchison	Robb
Coats	Inhofe	Rockefeller
Cochran	Inouye	Roth
Cohen	Jeffords	Santorum
Conrad	Johnston	Sarbanes
Coverdell	Kassebaum	Shelby
Craig	Kempthorne	Simon
D'Amato	Kennedy	Simpson
Daschle	Kerrey	Smith
DeWine	Kerry	Snowe
Dodd	Kohl	Specter
Dole	Kyl	Stevens
Domenici	Lautenberg	Thomas
Dorgan	Leahy	Thompson
Exon	Levin	Thurmond
Faircloth	Lieberman	Warner
Feingold	Lott	Wellstone

NOT VOTING—1

Boxer

So the amendment (No. 1111) was rejected.

DEFENSE AND BUDGET ISSUES

Mr. GRASSLEY. Mr. President, I yield myself 10 minutes off the bill to speak on the budget issue and the defense issue.

Mr. President, next week some time, I presume it would be Senators from both sides of the aisle, but I am sure it will be led by some Senator from my side of the aisle, we will discuss the issue of increasing the Senate Budget Committee's numbers for defense.

I do not want to speak directly to that point, but I want to set the stage for my position that I think is very unwise to do that. I will want to say in connection with some of the remarks I am going to say that there is an article in the Washington Post today on the Federal page where it refers to Senator GLENN, and I agree totally with Senator GLENN.

He was holding a hearing on the bad accounting practices of the Defense Department. It refers to Senator GLENN this way:

> GLENN, who held hearings this week on the subject, lamented the fact that while his colleagues worry about budgetary restraints, so few of them have been interested in the Pentagon's wasteful financial practices.

Senator GLENN spoke about the wasteful financial practices. I have spoken on that subject many times. I thank Senator GLENN for his leadership.

I want to take a few moments to express concern abut a new policy that is being pushed by the comptroller at the Department of Defense, Mr. John Hamre. I think, basically, Mr. Hamre is trying to do a lot of good but he is running into a cement wall on many of the things he is trying to accomplish.

His plan undermines the case for pushing up the defense budget. Mr. Hamre is proposing just to write off—just write off—billions of dollars of unmatchable disbursements. Now, unmatchable disbursements are expenditures that he says he cannot link to supporting documentation, so he is really ready to throw in the towel and to write them off the books.

The Armed Services Committee held hearings, and I refer to Senator GLENN on this and related matters. The defense appropriations subcommittee is going to hold similar hearings next Tuesday.

Not being a member of either committee, I am unable to participate in those discussions.

But because of my intense interest in the subject, the chairman of the Defense Subcommittee, my good friend Senator TED STEVENS, invited me to submit a statement for the record.

So, I would now like to share my thoughts on this issue with my colleagues.

I think the issue has a direct bearing on the proposal to pump up the defense budget, which will be an issue next week, I think.

I am deeply troubled by Mr. Hamre's proposal.

Allowing him to write off billions of dollars of unmatchable disbursements would set a dangerous precedent.

Allowing him to write off billions of dollars of unmatchable disbursements underscores the continuing lack of effective internal financial controls at the Defense Department.

I fear that there is a near total breakdown of internal controls at the Pentagon, and this leaves the Department's accounts vulnerable to theft and abuse. That really bothers me.

One of the most elementary ways to maintain internal control over money is to match disbursements with obligations.

Unfortunately, this very basic financial control device is largely ignored by disbursing officers at the Pentagon—even though DOD has had a longstanding policy, specifying that potential payments must be matched with obligations before a payment is made.

The extent to which DOD accounts are vulnerable to theft and abuse is truly frightening.

The latest figures provided by the General Accounting Office [GAO] indicate that DOD has $29 billion in problem disbursements—mostly unmatched disbursements. That means DOD does not know how $29 billion was spend. DOD does not know what was bought with the $29 billion. Even though it might be legal, they still do not know exactly where it was spent.

Until the proper matches are made, those responsible for controlling the money at the Pentagon do not know how the $29 billion was used.

They do not know whether the $29 billion in payments were all legitimate.

They do not know whether the $29 billion in payments were in the correct amounts or whether there were underpayments, overpayments, or even erroneous payments, for instance, to the wrong persons or businesses. They do not know whether the payments were fraudulent. They do not know whether money is being stolen.

Despite all Mr. Hamre's hard work, and I compliment him for a lot of the work he has done to clean up the mess and fix the problem, the mess seems to me to be getting worse by the day.

New problems crop up faster than old ones can be resolved.

In frustration, Mr. Hamre is now moving toward a solution that I consider dangerous and unprecedented. His proposed solution needs close scrutiny.

Mr. Hamre wants to write off a substantial number of problem disbursements.

Mr. Hamre is now telling Congress that some of the problem disbursements can never be matched. They are unmatchable disbursements, in a sense.

In some cases, disbursements are unmatchable because all the supporting documentation has been destroyed.

The audit trail is cold. It leads nowhere. In other cases, the documentation is so poor that it would take an inordinate amount of time and money to make the fiscal hookups. It is just too much trouble and too costly to make the proper matches. So the answer is just write it off.

Mr. Hamre also suggests that the inspector general and the general counsel agree that the write-off procedure is the only viable option.

Mr. President, if Mr. Hamre asked Congress for authority to write off 1 or 10 billion dollars' worth of unmatchable disbursements, it would not be so bad—if heads would roll of those responsible for the bad mangement. But that does not seem to be the pattern.

Writing off billions of dollars of unmatchable disbursements would be an insult to the citizens of this country.

This money was taken out of the pockets of hard working American taxpayers, and the Pentagon bureaucrats say it is just too much trouble to find out how their money was spent.

Mr. President, could you imagine how the IRS would treat a citizen who claimed to have no documentation for $100,000 of income? The IRS would say: "We know you got that money. You pay the tax. Period. End of discussion."

But not with the DOD.

We should hold the Pentagon bureaucrats to the same standard that the IRS holds the taxpayers to. The DOD should have to play by the same rules imposed on the taxpayers.

We should tell the Pentagon bureaucrats: "We know you received $10 billion in appropriations. Now, how did you spend it? No more money until we get the answer."

The taxpayers have the right to know how their money was spent—every penny of it. They are entitled to that under the Constitution.

Section 9 of the Constitution says that there will be "a regular statement and account of the receipts and expenditures of all public money published from time to time."

Pentagon bureaucrats cannot fulfill that responsibility today.

They cannot give the taxpayers a full and accurate account of how their money was spent. That is unacceptable and must not be tolerated.

Mr. President, if there is no documentation supporting a disbursement, then there is no way to reconcile that account.

Under those circumstances, Mr. Hamre's proposed solution is an undesirable and an unfortunate necessity. However, we in the Congress should not approve this plan until two stringent conditions are met: No. 1: Those responsible must be held accountable for what has happened; heads must roll.

No. 2: A new DOD policy should be put in place that specifies: Effective January 1, 1996, all DOD disbursements must be matched with obligations and supporting accounting records before a payment is made.

We also need to have the answers to two questions before we approve Mr. Hamre's plan to write off unmatchable disbursements.

First, how much money is involved? Nobody knows for sure, but preliminary information suggests that the total amount Mr. Hamre would like to write off could easily approach $10 to $12 billion.

Second, is it legal to write off disbursements because supporting documentation is either inadequate or nonexistent.

Sections 1501 and 3528 of title 31 of the United States Code, for example, seem to imply that all Government expenditures must be supported by documentary evidence. The legal issues involved need to be examined.

The authority to write off unmatchable disbursements should be a one-time event. It must never happen again. Unfortunately, I fear it will happen again, unless we come down hard and impose severe penalties and restrictions. Furthermore, my approach would help to strengthen and reinforce section 8137 of the fiscal year 1995 Defense Appropriations Act—Public Law 103–335.

Mr. President, the people of this country desperately want to trust their Government. But a Government that does not hold dishonest and incompetent officials accountable for their actions will lose the public trust.

A failure to hold corrupt officials accountable breeds mistrust and invites more waste and mismanagement.

An inability to provide a full and accurate accounting of who $29 billion of the taxpayer's money was spent is mismanagement at its very worst.

Pentagon bureaucrats have an unblemished track record of mismanaging the peoples' money.

They have proven over and over again that they cannot control the peoples' money. And they cannot account for how they are spending the peoples' money.

Some of my colleagues are talking about an amendment to increase defense spending.

Now, is it smart to give a bureaucratic institution that cannot control and account for the use of public money more public money?

Does that show good common sense?

DOD should not get any extra money until DOD cleans up the books.

I will vigorously oppose any amendments to increase defense spending.

More money is not the solution. Better management is.

Mr. President, I yield the floor and reserve the remainder of my time for the Republicans.

The PRESIDING OFFICER. The Senator from West Virginia [Mr. ROCKEFELLER] is recognized.

Mr. ROCKEFELLER. Mr. President, I believe the minority leader had agreed to yield 1 minute to the Senator from Maine, and also for a unanimous-consent request to the Senator from Oregon.

Mr. COHEN. Mr. President, let me just proceed very briefly. I was somewhat taken by surprise by the Senator from Iowa suggesting we ought to look

to the IRS as an example of how they can audit their particular systems. Just a few years ago the IRS came before the Government Affairs Committee and said it needed more agents because there was $125 billion unaccounted for in uncollected taxes. It turned out that many of those uncollected taxes belonged to people who were dead, bankrupt, in jail or otherwise unable to pay. The IRS came in finally and fessed up that maybe there was only $60 billion in uncollected taxes. But they could not even prove that particular figure. Do you know why? Because the IRS does not have books that can be audited.

This is a great irony that should not be lost on the American people. Imagine how the Internal Revenue Service would treat a small business or an individual who made a comparative mistake on their tax return?

For the Senator from Iowa to point to the IRS as an example of how we should proceed, I think misses the point entirely. There may be, in fact, some explanation for Dr. Hamre's suggestion as to why we ought to forego this particular matter, but I think it is premature to condemn his approach without at least having some illumination on the facts.

I will try to abide by my 1 minute, but I wanted to make it clear for the record we should not point to the IRS as a model.

Mr. McCAIN. Could I ask the distinguished Democratic leader to grant me 1 minute?

Mr. DASCHLE. I will be happy to.

Mr. McCAIN. Mr. President, I just wanted to elaborate slightly on the important statement Senator COHEN made. The Senator from Iowa enjoys savaging the Defense Department in their operations. Mr. Hamre worked as one of the most respected members of the Senate Armed Services Committee staff. I noted with some interest, in his savaging of the Defense Department, the Senator from Iowa had no viable solution to propose himself. I would look forward to that. I suggest he have another solution before he condemns that one. To use that as an excuse to not support a reasonable level of defense spending to me is sophistry at best.

I would finally say, it is pretty easy to savage the Defense Department when you are from a Midwestern State and at the same time come over and defend the 13th swine research center at the cost of some $29 million, and $10 million a year to maintain at taxpayers cost, so we can figure out how best hogs can have babies. In my view it borders on a double standard.

I thank the Democratic leader for allowing me that time.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

PRIVILEGE OF THE FLOOR—SENATE CONCURRENT RESOLUTION 13

Mr. PACKWOOD. Mr. President, I ask unanimous consent that for the duration of consideration of the budget resolution, Kinka Gerke, my congressional fellow who is handling the issue for me, be allowed the privilege of the floor.

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

Mr. PACKWOOD. I thank the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

AMENDMENT NO. 1112

(Purpose: To reduce the tax cut and apply the savings to Medicare and Medicaid)

Mr. ROCKEFELLER. 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 West Virginia [Mr. ROCKEFELLER], for himself, Mr. LAUTENBERG, Mr. KENNEDY, Mr. DASCHLE, Mr. WELLSTONE, Ms. MIKULSKI, and Mrs. BOXER, proposes an amendment numbered 1112.

Mr. ROCKEFELLER. 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 74, strike lines 12 through 24 and insert the following: ''budget, the spending aggregates shall be revised and other appropriate budgetary allocations, aggregates, and levels shall be revised to reflect up to 59 per cent of the additional deficit reduction achieved as calculated under subsection (c) in budget authority and outlays for legislation that reduces the adverse effects on medicare and medicaid of—

''(1) increased premiums;

''(2) increased deductibles;

''(3) increased copayments;

''(4) limits on the freedom to select the doctor of one's choice;

''(5) reduced quality of health care services caused by funding reductions for health care providers;

''(6) reduced or eliminated benefits caused by restrictions on eligibility or services; or

''(7) closure of hospitals or nursing homes, or other harms to health care providers.

''(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate shall submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed 59 per cent of the additional deficit reduction specified under subsection (d).''.

Mr. DASCHLE. Mr. President, now that we have had what we consider to be the first political vote, I hope we will have the opportunity to thoroughly debate what we consider to be not only political questions but the very important substance.

Let me emphasis what this debate is not about. It is not about the balanced budget because I think people on both sides of the aisle feel strongly that indeed we need a balanced budget.

It is not about whether we must make tough choices. Indeed, we must make tough choices.

It is not about agreeing on a time certain. I believe the year 2002 is a valid date.

This debate is about how we spend the limited resources we have between now and the year 2002; about where this country ought to invest its money.

This year the budget process has proceeded with virtually no consultation between Democrats and Republicans. For all the talk of bipartisanship, there was none when this resolution was drawn.

Not surprisingly, the committee has produced a budget resolution that is extreme, unreasonable, unfair, and unacceptable.

The closer one looks, the worse it gets. It is evident that the priorities that it reflects do not reflect the priorities of the American people, or the fairness the American people expect.

It is wrong to begin with a tax giveaway to the wealthiest people in this country. It is doubly wrong to help finance it with a tax hike on the lowest income working people in the country.

To impose a tax hike on those earning the lowest incomes in order to help pay for a tax break for the wealthiest Americans turns common sense and fairness on its head. It is not just wrong. It is perverse. It directly contradicts all the pro-work, anti-welfare rhetoric extolled by so many. It sends exactly the wrong signal to Americans.

Instead of saying work pays, it undercuts the value of the work ethic for all working Americans, not just those who are eligible for the credit. The signal here is not to welfare families to shape up and get on a payroll. The signal here is to the well-off and the well-connected. This budget tells them they will get their tax cut. It tells working people they are out of luck.

We have had too many Republican so-called tax cuts that turn out to be a tax increase or a tax wash for working people and a big tax break for those at the top.

Americans are waking up to the hidden promise in a Republican tax cut. They are learning that it is a promise as believable as the check is in the mail.

Senate Democrats believe there are important priorities that are not reflected in this budget at all. Those priorities are education, health care, and the needs of working people.

This budget resolution cuts education, slashes health care for seniors, and discourages work for low-income people. It is an extreme set of priorities. It undermines the very things that give people hope and security in order to finance another trickle-down tax cut.

Democrats say at least these three things should be corrected. If they can be corrected, we can produce a sound, workable, bipartisan budget that we must have ultimately—a budget that will be put into effect, backed by legislation that will make the necessary changes, and a budget that will produce the long-promised balance in the years ahead.

First, and the direct attention of this particular amendment. Medicare and Medicaid savings must come in the context of broad health care reform. Anything else is just a guarantee that costs will be shifted to the private sector.

Second, working people should not see a tax hike, by whatever name, when their wages barely raise them above the poverty level. We should be encouraging work over welfare, not penalizing it. Work should pay.

Third, this is precisely the wrong time to make education more expensive and further beyond reach for the children of middle-class families.

All three of these priorities can be protected and should be protected.

But first, there must be bipartisan agreement that we do not need to create new tax loopholes. Our purpose ought to be to reach a balanced budget, not to fulfil the tax wish list of our richest corporate and private taxpayers.

About half the budget savings in the Republican budget come from Medicare and Medicaid.

It is good that finally, after resisting health care reform last year in any form, after resisting even incremental reform, after repeatedly opposing anything remotely like a reduction in costs, Republicans have admitted, in this resolution, that health care costs are driving the Federal budget.

But it is bad that they have chosen to deal with this reality—a fact Democrats have been pointing out for at least 3 years—by simply capping spending and shifting costs to beneficiaries.

I agree with what Senator DOLE said last year, "* * * if you only spend so much money on health care and you run out of money, you either have to ration or raise taxes, or find some way to find more money."

So what is the Republican answer to health care? Impose a cap on Medicaid and shift the whole burden back on the States. That is the proposal. That means that when it is time to ration or raise taxes or find more money, it will be the States that will be forced to do it.

The budget proposal to reduce Medicaid costs by $176 billion will not only burden the taxpayers of our States, it will threaten coverage for more than 800,000 low-income elderly and disabled people. Medicaid is the only source of assistance for the frail elderly who need long-term nursing home care and who do not have the $38,000 a year that such care typically costs.

Medicaid now provides for 1.6 million persons in nursing homes, and nearly 1.1 million receiving home health care. Those funds are not likely to be made up by the States, because the States are hard-pressed to meet their current Medicaid costs.

Instead of seeking to control costs in the system—the only way to ultimately slow health care spending—the Republican budget would shift costs.

The Republican budget proposes a precise Medicare savings figure—$256 billion—without an iota of detail as to how it is to be achieved.

There is no way to save $256 billion and cover more people—as Medicare must, since our population is aging and more people become eligible for Medicare each year—without shifting costs to others.

Those others will be Medicare beneficiaries themselves. This proposal would mean dramatically higher costs, fewer benefits and a worsening quality of care.

The Republican Medicare reductions are the largest Medicare cut in history. At least half the burden of those cuts will fall on recipients.

The chairman of the committee that approved this reduction has already endorsed the idea of increasing the part B Medicare premium to 31 percent of the program's costs. That, alone, will mean nearly $500 in additional out-of-pocket costs to Medicare recipients by 2002.

It has been calculated that those on Medicare will see a cut of $900 in benefits by the year 2002. The $256 billion in savings will be paid for by them—to the tune of $3,500 each between now and then.

The budget resolution does not spell out where the so-called savings will come from. But, coincidentally, the savings raise the same amount of money as all the CBO proposals for savings already compiled. So, taking those as a benchmark, we can see the outlines of what will be cut and who will pay for it.

Nearly 83 percent of Medicare benefits go to persons with incomes of $25,000 or less. Only 3 percent of Medicare costs are paid in behalf of persons with incomes over $50,000. So whatever additional costs there are, they will be borne disproportionately by those with the least ability to pay.

The net effect of this is simple: Extra Medicare costs will eat up Social Security cost-of-living increases. The Republican promise to protect Social Security is hollow. One in four Social Security recipients rely exclusively on Social Security benefits for income. For these people—among the lowest-income of our retirees—there will be no more COLA's, because they will all be swallowed up by rising out-of-pocket Medicare payments.,

The effects of cost-shifting in health care have been long studied and are well known. When providers like hospitals and physicians see repayments from one source cut, costs are shifted to those who will pay—privately insured individuals. If even one-third of the proposed Medicare reductions are passed along to privately insured payers, it will amount to a hidden tax of $40 to $50 billion on businesses and families in the next 7 years.

Instead of reforming the system to control costs, it would be the same old shell game of cost-shuffling, only on a much larger scale.

It is wrong to threaten the health care security of retired Americans to finance a tax cut for the wealthiest corporations and individuals. It is wrong to slash at the health care safety net of the low-income elderly and disabled to finance a tax cut that will restore some of the most egregious corporate loopholes of the 1980's.

The Republican budget does more than that. In a stunning display of indifference to real hardship in American families, the Republican budget would cut $21 billion out of the earned income tax credit.

The earned income tax credit does not go to anyone who does not work. It goes only to those who are doing their best to stay off welfare by working at whatever job they can find, and by earning whatever an employer is willing to pay. It is perverse to tell a woman to get off welfare and work and then to turn around and reduce the one work incentive program that actually helps work pay.

It is contrary to common sense to dramatically cut back an incentive to work so that we can afford to give a tax cut to some of the most well-off households and businesses in the country.

The Republican budget also cuts educational funding by $60 billion. Student aid alone is slashed by $14 billion. Under the Republican budget, students will have to pay higher loan origination fees and higher interest rates 6 months after they graduate. They will graduate with a degree and a heavier debt load because the in-school interest subsidy will be cut.

Who uses the student loan program? Not the children of the wealthy, whose parents can afford to pay yearly tuition costs. It is the children of middle-income working families who rely on loan assistance to get the higher education in the first place.

Today, more than ever, how much education a person has dictates the standard of living he or she will enjoy throughout life. Every extra year of schooling adds an average of 8 percent to one's income throughout life.

Equally important is that economic growth depends upon better education in our work force. A recent study found that increases in workers' education produced twice the productivity growth as investment in new equipment.

A survey of over 3,000 private companies employing 20 or more workers found that a 10-percent increase in workers' education led to an average 8.6-percent rise in productivity; a 10-percent increase in capital stock—equipment, buildings, and machinery—led to a 3.4-percent rise in productivity.

Anyone who cares about the future economic growth of our country knows that as American companies become more productive, they compete better and find more markets. Anything that helps our firms compete successfully in a global economy ought to be supported and encouraged, not cut back.

Yet, that is exactly what the Republican budget does. It cuts education by $60 billion over the next 7 years, potentially cutting out an enormous promise

of higher productivity and economic growth for our private sector.

It is wrong to reduce our Nation's commitment to education by the equivalent of 25 percent when education is more critical now than it has ever been before. It is wrong to reduce our commitment to a better standard of living for our children in order to finance a tax cut for those who already enjoy high living standards.

It is wrong to cut back on the door to opportunity in our society. It is the wrong priority.

Despite assertions that the Republican budget would go after corporate welfare, there is not a single corporate welfare cut in this budget resolution.

Instead, we are being asked to squeeze Medicare recipients, to burden new graduates with an extra $3,000 or so in debt, and deny the lowest-paid, hardest-working Americans a tax credit. Republicans cannot find corporate welfare so these are the priority cuts they have aimed at instead. I do not think that reflects American values or American priorities, Mr. President.

Senate Democrats will respond to these misguided priorities in this budget resolution with a series of amendments designed to correct them.

Our amendments will preserve the goal of balancing the budget by the year 2002.

Each of our amendments will be fully paid for. Saving Medicare and student aid will not add a penny to the budget deficit. Our amendments will use the different offsets to preserve the priorities that we think are important because we agree that it is necessary to make the choices in order to balance the budget.

We just think that a tax cut is exactly the wrong choice. We think that the budget ought to reflect the priorities of working Americans. We believe our amendments reflect those priorities and deserve broad support. And beginning with this amendment, we hope Republicans will join us in coming to a better set of priorities, a more realistic set of assumptions, and a clear message to the American people that we are on their side.

I yield the floor.

Mr. GREGG addressed the Chair.

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

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I am going to yield to the Senator very shortly.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Then I am going to put Senator PACKWOOD in charge of the time after Senator GREGG speaks. I just want to put up one statement on Medicare and Medicaid, and then I will yield to the Senator for the time he needs and then Senator PACKWOOD for a reasonable amount of time. He will be in charge; I designate him to control time on our side.

I just want to quote this one statement for the Senate, for those interested in where we are, by talking about what the President said on October 5, 1993. And these are quotes. And I will just read them. That is October 5, 1993.

Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation.

And now these are the very interesting words.

That is not a Medicare or Medicaid cut. Only in Washington do people believe that no one can get by on twice the rate of inflation.

And I have a little parenthesis; there was a laugh in the crowd.

So, when you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid.

Now, essentially, Mr. President, and fellow Senators and those interested, the President of the United States and some on the other side of the aisle are today, Monday, Tuesday, and Wednesday going to be saying this budget cuts Medicare and Medicaid. Right? In yellow on this one:

That is not a Medicare or Medicaid cut.

Medicare is going up 7.1 percent in this budget.

That is not a Medicare or Medicaid cut.

Quote DOMENICI? No. Quote President Bill Clinton.

Now, frankly, I anticipate there will be arguments about he had a comprehensive health care plan. The truth of the matter is the President reduced Medicare $180 billion and spent it some place else and yet proceeded to say:

That is not a Medicare or Medicaid cut.

Now, frankly, that frames the debate. The President said it better than we can. That is a perfect statement of what the American people were expected by our President to believe on October 5, 1993. And I believe that is the same statement they ought to believe today, even if those on the other side of the aisle and the White House choose to say it no longer. Because it is ours, it is our proposal, it is not to be said any longer. I do not believe that is the case.

Now, with that, we have a number of Senators who wanted to address this issue. We are under controlled time, an hour on each side on the amendment. Clearly, we are going to use more time than that. I am going to yield now —15 minutes, 20 minutes, 5 minutes?

Mr. GREGG. A half-hour.

Mr. ROCKEFELLER. Mr. President, if the Senator will yield, ordinarily one goes back and forth between the two sides, and are we planning to do something different today?

Mr. DOMENICI. We are going to do something different if the Senator is going to assume that those brief remarks are the Republican response to the minority leader. We have not answered the minority leader. Senator GREGG is going to start answering him. And then we will go to the Senator from West Virginia.

Mr. ROCKEFELLER. The comments of the Senator from New Mexico were kind of incidental?

Mr. DOMENICI. Mine were incidental, very irrelevant, trivial.

Mr. ROCKEFELLER. I yield the floor.

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

Mr. GREGG. A half-hour.

Mr. DOMENICI. All right. And then Senator PACKWOOD is in charge of the time on our side. I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I thank the Senator from New Mexico.

I wish to simply congratulate him on his excellent brief and incidental statement because I think it summarizes a lot of the concern that many of us have as to the duplicity of this administration on the issue of Medicare and how we should address it. And I wish to get into that in some depth.

Initially, I simply must respond to much of what the Democratic leader said, or some of what the Democratic leader said because I found it to be inconsistent in the extreme for him to come to the floor and make the statement, as a number of his colleagues have said, that, oh, we all now believe in a balanced budget. We all believe in a balanced budget. And, yes, we are even willing to accept the year 2002.

We have heard this from a number of Members on the other side. But at the same time he gives us a litany, a litany of areas where we can take no action, of areas where we must spend more money.

He gives us no suggestions as to how they would get to this balanced budget. There is no program from that side. There is no budget. There is no proposal. All we had was the President's proposal and the President's proposal, as we now recognize, has been rejected by everyone in this Chamber who voted, the 99 Senators who were present.

The President's proposal was rejected because, on its face, it was outrageous. It presented a budget which would have given us deficits of $200 billion or more for as far as the eye can see. It would have added $1.8 trillion of new debt to our children's backs over the next years. And it did not in the slightest way even address the core issues of what are confronting this country in the area of fiscal policy, which are the issues of how we manage Federal spending in the area of the entitlement accounts. It did not have one suggestion in the entire budget on that issue, even though some of the leaders in his administration have said that that is the core concern and even though he, 2 years ago now or a year and a half ago, said that that was a major concern, as the statement from Senator DOMENICI so adequately reflected.

So I think it is critical for those who are following this debate to understand the inherent and incontrovertible inconsistency of the Democratic leader's

statement—that they are for a balanced budget, but do not touch anything that is important, do not touch anything that we deem to be critical, do not try to reform a system which is so out of control that it has generated this huge deficit and debt that is bankrupting our country.

And if we are talking about a commitment to a better standard of living for our children, nothing could be more critical to a commitment to a better standard of living for our children than to bring under the control the debt of this country and the deficit.

I brought along a chart to reflect that fact. This is the critical issue of this debate. This is why we, as Republicans, have brought forth a budget which is in balance. It is because if you look at what is going to happen to the Federal Government in the spending we are undertaking, we are on a nosedive to bankruptcy, which we are going to end up passing on to our children.

The blue squares represent discretionary spending, the yellow squares represent interest payments, and the red squares represent spending on entitlements. The green line is the revenues of the Federal Government, which have been fairly constant over the last few years.

If you notice—and these are numbers which come from CBO—if you will notice, beginning in about the year 2010, our Federal Government, because of the explosion in spending we have undertaken as a Government, will only be able to pay for entitlement spending and interest on the Federal debt. That means all the discretionary spending will not be affordable—things like national defense, libraries, roads, education, things the minority leader was talking about, things which we are concerned about.

Then around the year 2015, we will not be able to pay interest on the Federal debt. What does that mean? That means we are bankrupt; that we, as a nation, are insolvent. That means our children will be living in a country like our unfortunate neighbor of Mexico, which does not have the capacity to pay for the cost of the burden for carrying its own debt.

What happens at that point? Well, our children's futures become destroyed because the country will either have to go through some huge economic calamity or else it will have to inflate the economy so much that the dollar will be virtually valueless.

So we, as Republicans, recognize this. We accept the fact that something has to be done about this, and we have put forward a budget which gets us to balance over the next 7 years.

This is our budget line, the black line. It goes to balance over the next 7 years.

This is the President's line, the purple line, estimated by CBO. This is what he told us it was, but he would not use CBO figures, even though he said he was going to. Even as he told us, we still have a huge gap, $1.8 trillion of new debt added to our children's backs as a result of the President's proposal.

But if we get on the course of this budget, we will get this under control and we will have us down to balance in 7 years, which is the obligation that we owe our children.

And there is something else that should be noted. When we get out to this point here, get out to this point here, there is, of course, another way that you could address all this Federal spending. You could tax people.

What does the President's budget—not of this year, because he did not want to put this number in—but of last year tell us the tax rate on all Americans would be in order to bear a Government of this size? It would be 82 percent; 82 percent of everybody's income in this country would have to go to the Government in order to bear the burden of the Government if we allow it to continue to grow at that rate. Obviously, we cannot afford that.

Now, a large part of this debate has been about the issue of Medicare. And, boy, there has been some significant misinformation about that issue floated around here. And I am glad the Senator from New Mexico started out by pointing out the distinct difference between what President Clinton said a year and a half ago and what he is saying today about the Republican efforts in this area.

But I think it is important to start on this issue with what the problem is. The problem is pretty clear. It was not defined by us. It was not defined by myself or the Republicans, or the Democrats, for that matter. It was defined by the trustees of the Medicare trust fund, ironically, four of whom were appointed by the President of the United States and are members of his Cabinet, including Donna Shalala, Secretary of HHS, and Secretary Rubin.

And the problem is that the Medicare trust fund is going bankrupt on a much faster time track than the country, in fact, and it will be bankrupt, according to the trustees in the very near future. They are telling us—and this is the trustees' report—that ''the Medicare program is clearly unstable unsustainable in its present form.''

Why are they saying that? Because of this chart here.

This is the fund of the Medicare trust fund. It goes into bankruptcy in the year 2002. Beginning in about next year, it starts to draw more out of the trust fund than goes in.

What is the practical effect of bankruptcy of the Medicare insurance trust fund? It is that there is no health insurance for our senior citizens. None. Because, under the law, they cannot pay out health insurance proceeds if they have no sources to pay it from. And the trust becomes bankrupt and does not have any sources in the year 2002.

Now I suppose the Democratic position or the President's position now appears to be, ''Well, let's wait until the year 2002 and face the problem then.''

That only compounds the problem if you do that, of course. It is much more logical, as the President suggested a year and a half ago, to address it and address it in a constructive and thoughtful way, which is the proposal we have put forward in this budget specifically to do that.

Now there has been a lot of debate about the number necessary to get this trust fund into actuarial solvency, and the fact that this number that we have in our budget is somehow outrageous, the number of $256 billion of adjustment in this fund over the next 7 years, which is the number that we feel will put this fund in some form of solvency and assure that seniors have health insurance, which is our goal, to give seniors health insurance and make sure they have a health insurance fund.

Now we heard the leader come down here and say that this idea of addressing the insurance trust fund by adjusting it by $256 billion over the next 10 years, or Medicare by that amount, is a number that is just outrageous and not obtainable and is a ridiculous number.

Well, let me refer them to the number that came from Secretary Donna Shalala and Secretary Rubin and the other members of the trustees of the Medicare trust fund. Their number was, in order to get actuarial solvency in the health trust fund over the next 5 years, we would have to adjust it by $262 billion. That is in 2 years. Remember, ours is 7 years. And, over 7 years, to get actuarial solvency, we would have to adjust it by $387 billion.

So the number that we are talking about, which is $256 billion, approximately, over a 7-year period, is clearly in the ballpark of the numbers which are being given to us by the people who are responsible for managing this fund, although there is obviously a merger of A and B trust fund issues, which is a really complex issue. In any event, the numbers are clearly in the same ball park.

So the idea that our adjustment is unreasonable or our proposal is unreasonable in this area is just a lot more smoke and mirrors that we are hearing from the other side as they attempt to dance around the basic responsibility that we have, which is to assure solvency in this trust fund.

So Members on our side have put forward a proposal which, remember, does not cut Medicare funding. In fact, it allows Medicare funding, as Senator DOMENICI noted earlier, to grow at about 7 percent. This shows 6 percent. We actually ended up with about 7 percent. Today, the Medicare trust funds are growing—the rate of growth of the cost of health care costs is around 10.5 percent. That is three times the rate of growth of inflation in this country today.

You might say, ''It's health care; therefore, it has to grow faster than inflation.'' Let me simply note that last year in the private sector, the health care inflation rate was actually a negative number. It was about negative 1.9

percent for the rate of growth of premium costs in health care last year in the private sector. So not only is it three times faster than the basic inflation rate in the economy, 10.5 percent, the rate of growth of Medicare costs, but it is actually 10 times the rate of growth of health care inflation generally in the private sector.

So it is explosive, and it is clearly not sustainable. It is not sustainable from the standpoint of financial viability of our country. More important, it is not sustainable from the viewpoint of having a trust fund that is solvent and having a health care system for our seniors that is solvent.

What we are suggesting is not radical or unreasonable. We are suggesting a response which was in the same frame of reference as what the trustees are talking about. We are talking about slowing the rate of growth of the Medicare trust funds from 10.5 percent down to approximately 7 percent—7 percent rate of growth. Is that unreasonable? I do not think so. It represents twice the rate of growth of inflation generally and seven times the rate of growth in health care insurance premiums in the private sector.

As was noted by the chart put up by Senator DOMENICI, it happens to be the same number that back in 1993 President Clinton thought was pretty reasonable. Not only did he think it was reasonable, but Hillary Clinton, his wife, thought it was fairly reasonable. She said:

> We feel confident we can reduce the rate of increase in Medicare without undermining the quality of Medicare recipients.

And Ira Magaziner, her guru of health care, said:

> Slowing the rate of growth actually benefits beneficiaries considerably because it slows the rate of growth of premiums they have to pay.

So the administration, a year and a half ago, when they were not thinking about reelection so aggressively, was talking about slowing the rate of growth of the health care fund, just about what we were talking about today. Maybe they were going to slow it a little more, in fact, if you look at their numbers.

So what is the practical application of how do you get to a 7-percent rate of growth, because that is where the rubber hits the road. Who is going to be impacted? Who is going to be affected? Who is going to have to take the slowing down?

Basically, what we have seen in the private sector is that as the marketplace is changed and health care delivery has moved into the 1990's and on, that the manner in which health care is delivered has changed and, as a result, we have seen more efficiencies in health care delivery, and that is why the price of health care has gone down, that is why we have seen the inflation rate in the private sector drop.

What we are going to suggest as a party, and we think it is fairly reasonable, is that we take the public health care insurance system and apply to it some of the same attitudes and approaches that are being used today in the private sector. We are essentially going to say to senior citizens, ''We're going to give you more choices,'' because that is what has driven the price of health care down in the private sector—competition, choices—and in giving seniors more choices, we are going to not force them into other programs, we will make it voluntary.

For example, I have a proposal—it may not be the one finally adopted, but I think it makes sense—which says to senior citizens: ''You essentially will have the same choices that I, as a Member of Congress have, or other Federal employees have. You don't have that choice today.''

Most seniors are in fee for service, the most expensive form of health care. They are in fee for service because they grew up that way in the fifties, sixties, even in the seventies. The only way we delivered health care in this country was fee for service. You had your doctor, you dealt with your personal doctor, but it is the most expensive form of medicine. Ninety percent of seniors are in a fee-for-service approach to medicine.

What I suggest in the proposal I have put forward, basically the proposal we are talking about generally, is that seniors be given a choice, not only to use fee for service, but to use other forms of health care, health care which is less costly in its rate of growth but delivers just as good health care—managed care, fixed-cost care, PPO's, HMO's, things that most Americans, especially in the private sector, are familiar with today.

We are not saying to seniors, ''You have to go into a PPO or HMO.'' We are going to say, ''Listen, if in your area of the country it costs $5,000 a year to take care of your fee-for-service health care, then, senior citizen, to the extent that you can go out in the private sector and you can buy a health care system which delivers you the same basic benefits package, and maybe even more because there will be competition there, but for less, let's say it is for $4,500, we will let you keep 75 percent of the savings. Seventy-five percent of that $500 savings will go to you.''

So there will be a significant economic incentive to senior citizens to move from fee for service into managed care, if they decide to do so—they do not have to do it—if they decide to do so.

That type of approach creates three different positive events.

No. 1, it gives senior citizens the opportunity to look at other health care plans and gives them a financial incentive to do it and, obviously, health care incentives to do it.

No. 2, it creates in the marketplace competition. It means a lot of different plans are going to come forward that we cannot even imagine, because the marketplace is much more imaginative than the Government, and we will propose different approaches to caring for seniors, things that are attractive to one senior group over other seniors—one for eyeglasses, for drugs, one might take out the part B premium. Who knows; there will be a lot of variables, a lot of options.

And No. 3, it gives the Federal Government a fixed cost over an extended period of time as to how much health care is going to inflate.

It is only reasonable to assume, although obviously difficult to score, that that fixed cost is going to track fairly closely to what has happened in the private sector. In the private sector, what we have seen is there has been a 50-percent drop in the inflation rate in relationship to the amount of people going into HMO's and fixed-cost-based health care plans, and we may not get that precipitous a drop, but we do not have to, because all we are looking for is a 3-percent drop in the inflation rate.

We are not looking to reduce the inflation rate down to zero, as has happened in the private sector. We are looking to reduce it just twice the rate of growth of the inflation rate, a 7-percent rate. It is very reasonable that we will get that number. There are ways to assure we can score that number, and we make those proposals in our package.

So what we are talking about is not limiting seniors' opportunities, we are talking about giving them more choices, more chances to go to the marketplace and find better care, types of care that will be more attractive to them and more appropriate to their personal position. In the process, we hope to get these types of reductions in the inflation rate that the Federal Government is paying.

Is this not reasonable? I suggest to you that the President thought it was reasonable a year and a half ago; that Ira Magaziner thought it was reasonable a year and a half ago; that Hillary Clinton thought it was reasonable a year and a half ago.

What has happened? The argument is, ''Well, this isn't part of a comprehensive health care reform.'' I remember comprehensive health care, and I am sure you do, too. That is this chart here where the Federal Government comes in and takes over the private sector. I do not think we have to do this in order to get Medicare's inflation rate down to twice the rate of inflation in the private sector.

I do not think we need to have comprehensive health care reform, and I think that has been shown by a number of factors.

Mr. ROCKEFELLER. Will the Senator yield for a question?

Mr. GREGG. At the end of my statement, I will be happy to yield for a question.

The point is that Medicare is a system which is out of kilter, and that if you want to move it into a system that is in the 21st century instead of in the 1960's—which is where it is now—you

do not need to take over the private sector to do that. It is the public sector that is failing to keep the costs under control, not the private sector.

The idea that we need to nationalize the private health care system in order to get to a correction of the Medicare and Medicaid system is ridiculous. The President has, in fact, acknowledged that. Secretary Shalala, before the Budget Committee, said they were no longer perceiving that they needed comprehensive health care reform in order to get Medicare reform. They expected to have targeted—I presume they meant insurance market reform, which we will probably have down the road. All of that can be accomplished, of course, and Medicare reform can be accomplished at the same time.

So we, as Republicans, are not proposing the devastation of the Medicare system. In fact, we are proposing just the opposite. This chart reflects what the trustees have told us, which is that the Medicare system is going to be bankrupt in 7 years, that there will be no system. That has to be corrected, and the senior citizens of this country will be given a system which is solvent. We have done it with a budget that happens to get in balance at the same time.

Is that inconsistent or ironic? No. Statements like the minority leader made may be inconsistent or ironic. But it is fairly logical that if one of the primary reasons you are spending more than you are taking in is that you have a Medicare system on the verge of bankruptcy, when you correct that system and get that self-righted, at the same time you are going to assist in getting your budget under control, which is exactly what we end up doing—getting the budget under control—and the Medicare effort is part of that exercise. And in the process, we make the Medicare system solvent.

What is it all about in the end? Very simply, it is about making sure that when our children get to the year 2015, when we pass on to them this great and wonderful Nation, that at that point, they have a Nation whose Government is not in bankruptcy; that they have a Nation which is able to sustain their prosperity the way it was able to sustain our prosperity. If we do not do that—by that, I mean the Bill Clinton postwar baby boom generation, of which I happen to be a member—we will end up being the first generation in the history of this great country that has passed less on to our children than was given to us by our parents. That is not right and it is not fair.

We were sent here to do a job and that was to straighten out the fiscal house of this country. This budget does that job. And in doing that, it also addresses the fiscal house of the Medicare insurance system, which is equally destitute and insolvent.

Therefore, I strongly urge the Senate to reject the amendment which has been proposed by the Senator from South Dakota.

I will be happy to yield, if I have any time left, to the Senator from West Virginia for a question.

The PRESIDING OFFICER. The Senator has approximately 8 minutes left.

Mr. ROCKEFELLER. Mr. President, I will just proceed with my statement, and I thank the Senator from New Hampshire.

Mr. GREGG. I yield the rest of my time back to the manager of the bill.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ROCKEFELLER. Mr. President, parliamentary inquiry. The Senator from New Hampshire had a certain amount of time because he was granted that by Senator DOMENICI. But other than that, there is no control of time, is there? In other words, time is controlled here, 6 hours on one side and 6 hours on this side, but not any automatic amount of time for each speaker?

The PRESIDING OFFICER. Time is being yielded off the resolution. There is no consent agreement that has been entered into.

Mr. ROCKEFELLER. As for individual Senators?

The PRESIDING OFFICER. That is correct.

Mr. ROCKEFELLER. I thank the Chair.

The amendment that I sent up on behalf of Senator LAUTENBERG and myself, and other Senators, was not explained because the reading of it was cut off. So I thought I would just give a very quick explanation of what the amendment does.

The Republican Senate budget resolution sets up a $170 billion reserve fund for cuts. The Republican budget makes room for even further tax cuts, in fact, beyond the $170 billion if they are financed with spending cuts. That is in the resolution. Under the budget resolution, Medicare, which is our subject of this day, would be cut by $256 billion. Medicaid would be cut by $175 billion over a period of 7 years. The Rockefeller-Lautenberg amendment simply would restore, of the $170 billion reserved, $100 billion now reserved for tax cuts, and it would put that money back into Medicare and Medicaid. That is the entire purpose of the amendment, and I want my colleagues on both sides to know that.

Mr. President, I rise today to note several points. Over the past few weeks, many of my colleagues on the other side of the aisle have been trying to portray their intention to cut Medicare benefits as necessary to save the Medicare Program. They point to the projected insolvency of the Medicare hospital trust fund in 7 years and say that immediate action is necessary to maintain its solvency. They are working to save the Medicare Program, not to dismantle it. That is the way the logic is presented.

Frankly, I question their motives. I had heard nary a word about the Medicare crisis from my colleagues until very, very recently. But short-term solvency of the Medicare hospital trust fund is not a new finding that was just discovered this year. The Medicare trustees sounded the alarm, in fact, about the short-term insolvency of the Medicare Program several years ago.

For the past few years, the Medicare trustees have urged action on something called comprehensive health care reform. They have urged that we do comprehensive health care reform to address our country's overall systemic problem of rising health care costs that are, in turn, draining the hospital trust fund and the pockets of American families and businesses.

In fact, the chart that the distinguished senior Senator from New Mexico had giving a quote of President Clinton was said within the context of doing comprehensive health care reform in which a whole variety of circumstances would come into play; and it was not just about cutting Medicare and Medicaid, it was about changing the entire system. And they have selected out a sentence which fits their current argument. But it does not fit the current argument, in fact, because it was about a comprehensive health care reform approach that he was taking at that time—and he was not successful, as the Presiding Officer and the American people well know.

As my colleagues know full well, President Clinton responded to the warnings and to the alarms by putting a comprehensive health care plan on the table for congressional consideration. Now, one can argue that it did not get very far. One can argue that nothing happened at all. I would argue that it was dead on arrival, because the interest groups that did not want to see it succeed had a several month lead on television in terms of discrediting the program and talking about it as socialism and a Government takeover. The Government takeover argument is the one I particularly love. When people use that argument, I take out my Government takeover card.

I belong to the largest Government program in the country. But, this is a Blue Cross/Blue Shield card. Senator PACKWOOD, who is pacing the aisles on the other side, probably carries the same piece of plastic.

The last I heard, Blue Cross/Blue Shield is a private company.

In any event, the health legislation did not get anywhere because it was buried under a cloud of Harry and Louise ads and a lot of money. It was very sad, in fact, I think, because a lot of the problems we are now facing are because of the failure of this body to address comprehensive health care.

The President's plan not only addressed rising health care costs in the Medicare program, but rising health care costs for all American households and businesses, and especially small businesses.

Mr. President, I strongly agree with my Senate colleagues who urge immediate attention to the very serious problem of solving the trust fund. That

is a very serious problem, and it is something to worry about.

So far I have not seen a single serious proposal that really addresses the solvency of the trust fund. Therein lies a real problem for me. In writing, not a proposal; on paper, not a proposal. In rhetoric, not really a proposal.

I have heard a lot of rhetoric about restructuring and giving seniors more choice, but all I have seen and read about, and what is actually in the budget resolution, are huge cuts in Medicare—historic, unprecedented cuts in Medicare—to reduce the deficit by the year 2002. Huge cuts in Medicaid, also.

The House-passed tax cut bill actually raids, as the minority leader indicated, raids the Medicare HI trust fund by $23 billion. That has not been pointed out very much on this floor. Now, we are the Senate, not the House, but the House has presented its plan and the Senate has not.

A raid of $23 billion on the Medicare HI trust fund actually moves forward the date of the insolvency of the trust fund by 8 or 9 months. So they, in their wisdom, made the problem worse insofar as the trust fund was concerned.

I have yet to see a serious role from my Republican colleagues about ensuring that the Medicare program will still be solvent when the baby boom generation comes into full play, about the year 2010. We are in the easy period now. This is calm time. A calm sea. It begins to change shortly after the turn of the century.

I hear no acknowledgment from my colleagues that Medicare is, in fact, the most successful insurance program this country has. There may be some who wish to debate that. I would welcome that.

The Medicare Program provides universal coverage for all seniors. There is not a senior that does not have health insurance, and does not know that when he or she wakes up in the morning or goes to bed at night. There is no need to have an annual tabulation on the number of 65-year-olds without insurance. We do not have to do that because it does not exist.

We have to do that, of course, for children in this country. We have to do that for women in this country. We have to do that for men in this country who are under the age of 65, but not over the age of 65, because they are covered by Medicare. Everybody is covered. We are, in that respect, like every other modern industrial nation in the world, for 65 years and older.

Medicare does not deny medical coverage because of a preexisting medical condition like most private insurance plans. Medicare does not charge sick people more for their health care, like most private insurance plans. Medicare allows seniors to continue seeing their lifelong doctor and go to any hospital they want.

Now, one can attack the fee-for-service concept, but one cannot say that a senior is denied from seeing precisely the doctor they want or go to the hospital they want. If an HMO is available in an area, seniors can sign up with an HMO. They can often times receive additional benefits for so doing. But they have all of those options open to them right now.

Up until very recently, the Medicare Program outperformed the private sector in holding down its costs. Over the past couple of years, Medicare costs have been slightly higher than the private sector costs, as I will get to in a moment—about 1 percent.

Realize that the private sector is, in fact, insuring fewer and fewer people as the days, weeks, and months go by. Indeed, it is projected, as I know the Presiding Officer knows, that by the year 2000, 50 percent of Americans who work for a company will receive no health insurance benefits from that company.

Now, over the past couple of years, as I indicated, Medicare costs have been slightly higher. Then again, Medicare's enrollment is increasing. People are getting older faster. The fastest growing age group is the 84-year-old and over age group.

Also, Medicare pays for home care services and skilled nursing home care, types of services that are not normally covered under private insurance plans.

According to the CBO projections, Medicare is actually projected to grow by only 1.1 percent more than private health insurance over the next 7 years, our budget window. And enrollment in that figure is factored out. So it becomes a more honest figure because we do not have the increased number of people.

Medicare, in fact, is projected to grow by 8.3 percent a year on a per person basis; private health insurance is projected to grow by 7.2 percent a year on a per person basis; that is a 1.1 percent difference over the next 7 years.

Medicare insures older people and the disabled—people with health needs, people with terrible health needs and preexisting conditions. Remember, the private market casts them off to the side. It should not be a surprise to my colleagues on either side of the aisle that Medicare's per-person health care costs are projected to grow slightly ahead of private health insurance plans.

Mr. President, I have heard a lot of talk about needing to move the Medicare program into the 21st century by restructuring. I guess I do not share an enthusiasm for certain aspects of our private health insurance system as much as some of my colleagues. The Medicare program, in fact, was established because private health insurance refused, failed, to provide affordable insurance to senior citizens. That is why we did Medicare in the first place, because private insurance would not insure seniors.

Now, many of my colleagues like to talk about the wonders of the marketplace. I understand that. Some remarkable things are happening in the marketplace. But I still see cherrypicking, red lining, medical underwriting, policy cancellations, job lock, families paying more and more money for fewer and fewer benefits.

As I know the Presiding Officer knows, that is now what is happening in the private sector in so many companies. Companies are many times now saying, ''Yes, we will insure you, the employee, but we will no longer insure your dependents.'' But, then again, by the year 2000, 50 percent of people who work for a company will not receive any health insurance benefits at all, if CBO is correct.

There has been an incredible amount of rhetoric about expanding choices for seniors. I was very active over the past 2 years in health care reform and there was constant talk that health reform would reduce choices.

It is funny, I guess, how last year opponents of health reform tried to scare people about the Clinton plan by telling people it would take away their freedom to choose their own doctor, which in fact is not true; it did not. The truth is the President's plan would have greatly expanded the health care choices that Americans have today. But that has done nothing to stop people from misrepresenting the President's plan, because a dead plan is easy to misrepresent. Just a few months ago I read a document released by the office of my colleague from New Hampshire, Senator GREGG, who was speaking only a moment ago, that said:

> The Clinton health care reform plan projected $207 billion in savings under Medicare, forcing all seniors into managed care systems with per capita spending limits.

That is not true, that was never true, about the Clinton plan. That is false.

Now these same people are using the same powerful theme of choice as a way to disguise their own plan to cut Federal spending on Medicare. They are planning to force seniors to pay more out of pocket for their health care, and actually offer this as a savings to the Medicare Program. Not only does this strike me as disingenuous, but it ignores the real problems that our senior citizens have.

I, frankly, have never had a senior citizen complain to me in the 31 years that I have been in West Virginia about Medicare not having enough choices. I have heard complaints about Medicare, but not about Medicare not having enough choices. They tell me they cannot afford prescription drugs and Medicare does not provide those, or that they have long-term care needs and Medicare does not provide for those. But I have never heard a single complaint from West Virginia senior citizens that they do not think they have enough choices.

Just yesterday I received a letter from a West Virginia senior who lives in Mason County. She gets by on her Social Security check. That is it for her. Right now she cannot even afford to buy her heart medicine. It costs $138 a month. Fortunately, her doctor provides it to her without cost. She said

''If anything happens to him I don't know what I will do.'' She also said, ''It's frightening to think that you have worked all your life and to have it taken away is very frightening.''

And then she said, ''If Senator ROCKEFELLER cannot help us, who can?'' Well, I hope I can help. I will do all I can to help this good lady from Mason County. But to say something that I think casts a pall over this entire debate, and is deep within my own worry and concern about the future of America and American health care and Medicare and Medicaid in particular, I do not think I am going to be able to help her. Because I do not think there are going to be enough people voting in the way that I do to overcome the number of votes on the other side of the aisle.

I predict that a majority—the Republican Party will vote virtually en bloc on this matter, and that there will not be enough Democrats to counter that by virtue of our numbers, and that we will lose, and the lady, my constituent from Mason County, will lose. And she will have to depend on her doctor providing her with her heart medicine at $138.

Mr. President, even a $256 billion Medicare cut will do very little about the long-term solvency of the Medicare hospital trust fund. At most, these kinds of huge cuts may add a few more years of solvency to the hospital trust fund—a few more years. I would hardly consider this, however, saving Medicare. A few more years; 2 years, 3 years? It is not exactly saving Medicare. Given that the baby boom generation will just begin relying on Medicare in the year 2010, so anything only a few more years down the line will be worth very little in 15 years.

If my colleagues truly cared about protecting the Medicare program they would realize that taking the Medicare debate out of the budget debate is essential. And it may be that my colleague from the State of Oregon agrees with me on this. They say they intend to do that, but in a different way, a way that I disagree with. I think plugging a figure into their budget resolution that adds up to $256 billion in Medicare cuts does not fool anyone. It does not fool any seniors in our State. Listening to talk shows and participating in radio talk shows in the last couple of weeks is providing clear evidence of that to me, about what seniors in West Virginia believe is about to happen to them, and which I am afraid is about to happen to them.

It is a deep fear. We desperately need—and this is where I hope my colleague from Oregon might agree with me—we desperately need a bipartisan process to put Medicare on sound financial footing for the long term. We need to move past the current rhetorical budget-driven debate to the most important issues at hand, how best to keep Medicare dependable, secure, and valuable to seniors for generations.

The short-term budget need of cutting Medicare by unprecedented amounts of money will have disastrous consequences on health care providers and beneficiaries. That is the short term. Rural hospitals in, I think, all of our States will close in the aggregate by the hundreds. Doctors will shun some Medicare patients in some States for the first time. Medicare beneficiaries, which is seniors and the disabled, will learn firsthand what Medicaid beneficiaries have had to cope with in trying to get a doctor to treat them when reimbursement rates are set so very low.

I talked to a doctor in one part of our State the other day, 2 weeks ago, who told me he was seeing 65 patients a day. He is now in a managed care program and therefore his reimbursement is much less per patient. I know him. He is a very fine, good person. But, in order to keep up a living standard he has to see 65 patients a day. And I honestly do not know how you can see 65 patients a day without quality suffering.

I could not do 65 appointments a day, individual appointments a day in my office. How can a doctor do 65 appointments a day? But he is doing that because he is in a managed care program and he has to do that because he is being reimbursed less for each patient. So, again the question of quality and how that plays.

There is, I think, a right way and there is, I think, a wrong way to go about assuring the short-term and long-term solvency of the Medicare program. I believe the Republican proposal is the wrong way.

Under this way—the wrong way—up to 55 percent of seniors' Social Security COLA will be eaten up by increased Medicare costs to that senior. For the one in four Americans that rely on Social Security for their entire income, this is brutal hardship.

Under the proposal before us, Medicare's growth rate per person will be cut below the growth rate of private health insurance per person. That is an important statement. The rate of growth will be less under Medicare than under the private system, seriously again threatening health quality—65 patients a day, 70 patients a day?

The amendment that Senator LAUTENBERG and I are offering on behalf of a number of our colleagues is not going to solve the Medicare solvency problem. I do not pretend that it will. The budget resolution before us will not solve the Medicare solvency problem. Our amendment is about setting priorities.

Before we start legislating any new contracts with America, let us not forget about a contract that we already have with America's seniors, their families, and future generations. For all our zeal for deficit reduction—and that is good, that is well-meaning, well-intentioned, profoundly important, necessary work—we have lost sight of what Medicare is all about. It is a promise. It is a pledge to the American people that they will be able to live their lives in dignity and security far past their working days; that the sweat, the labor, the intellect and the care that they put into building America and in keeping our Nation strong and prosperous will be appreciated and valued when their resources wear out.

We, the Federal Government, made a promise and no amount of bookkeeping should ever sway us from that promise.

So instead of seeing a bankbook in Medicare, we should see an investment, not made by us but made in us. And it is our responsibility to ensure that investment of both funds and faith is always worthwhile.

So, Mr. President, before we go too far into looting Medicare we would do well to strengthen it so that a pledge given to the Nation can be fulfilled many generations over.

I thank the Chair. I yield the floor.

Mr. PACKWOOD addressed the Chair.

Mr. ROCKEFELLER. Senator LAUTENBERG does not appear to be on the floor.

Mr. PACKWOOD. If the Senator will yield, I talked to Senator LAUTENBERG, and will have a unanimous-consent request between the two of us.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I talked to the Senator from New Jersey. He agreed I would go next. I do not know how much time I will take. I am handling the floor for Senator DOMENICI now. I ask unanimous consent that when I am finished Senator LAUTENBERG be recognized.

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

Mr. PACKWOOD. Mr. President, I almost do not know where to start. There are so much misimpressions, half truths, bad statistics that you do not know whether to start at the very beginning and shoot down two or three and then try to do something sequentially. So I will start as follows first.

Let us define some things we talk about. The word ''cut.'' Only in Washington, DC, in my experience in any municipal body that I know of, not in the State legislature when I served there, the term ''cut'' meant spending less than we spent last year. If we spend $1,000 on the fire department this year, and we spent $900 the next year, that was a $100 cut. And all of the budgeting that we did, when I served in the State legislature, was based upon what we spent last year, what we are going to spend next year, and in almost all cases it was up from what we had spent last year. I think that is probably true of most cities and counties. But in Washington, DC, we define ''cut'' differently.

We say if we spent $1,000 on the fire department this year, and we had planned to spend $1,200 on the fire department next year —''planned''—but we are in a budget, so we are only

going to spend $1,100, in Washington, we do not call that a $100 increase. We call it a $100 cut. We never spent $1,200 on the fire department. We never spent more than $1,000 in our lives. Yet, my good friends from across the aisle in the Democratic Party are talking about Medicare cuts.

Mr. President, there are no cuts.

I want to explain how we got to the situation we are in, the financial bind that we are in. In 1965, we enacted Medicare. We estimated that the hospital part of Medicare—now first let me define what I mean by the hospital part. We on the inside refer to part A of Medicare as hospitals, part B as doctors. We estimated in 1965 that in 1990 we would spend $9 billion on hospitals. That was our estimates, 25 years out. Actually, in 1990, we spent $67 billion. Were we off. We were off by a factor of close to 700 to 800 percent; just missed it.

Or, take a look at the first full year of Medicare spending, in 1967. The first year we spent on everything, hospitals, and doctors, $3.2 billion. This year we are going to spend $178 billion. How did we miss so badly?

Here is what happened initially. We started down the road on a cost-plus basis, a term from World War II. We were in a bind. Japan had bombed Pearl Harbor, Germany was succeeding in running rampant all over Europe. We got into the war. And the war was our priority.

We argue today about defense spending. Defense spending today may be around 4 percent of our total gross domestic product, around 21 or 22 percent of our budget. To put it in perspective, at the height of World War II, 1944 and 1945, defense spending was 40—4–0—percent of our entire gross domestic product and 90 percent of the Federal budget. We were a war machine. And we were not too worried about costs. When all of a sudden you are asking the General Motors plant to shift in 6 months from making Chevrolets to making tanks and they had been used to working a dayshift only, you say you want them to work three shifts a day and you want them to work Saturdays and Sundays and get this done—and hang the costs—we need the tanks.

We saw it in Oregon in the shipyards. Henry Kaiser, great industrialist, put up in a short period of time three immense shipyards in the Portland metropolitan area and at the zenith of the war was employing 30 percent of the adult labor force, and toward the end of the war was turning out in one of the yards what were known as baby flat tops. It is a small aircraft carrier. They were turning out one aircraft carrier every 7 days. Today we spend 3 or 4 years building aircraft carriers.

How can you do it in 7 days? You can do it in 7 days—and hang the costs—it does not matter. The priority is the war.

This in essence is what happened with Medicare. We had no restraint on cost. We reimbursed doctors, and we reimbursed hospitals based upon their costs. It would be as if you were to say to a trucker, will you truck my load of tomatoes from California to New York, and I will reimburse you your costs.

The trucker loads up his truck with tomatoes and he takes off. He needs more gas. He comes to the gas station. No point in stopping at the self-service station and saving 15 cents a gallon. He will have somebody fill it up for him, 15 cents more a gallon. Add it on to the cost. No point in staying at Motel 6 at $25 a night when you can stay at the Hilton and add it on to costs.

Pretty soon, hauling the load of tomatoes across the country gets to be very, very costly. And finally the shipper says, ''Listen, your costs are too high. What I am going to do, I will give you $100 a day, $150 a day. You figure out how to make it. You don't want to haul it for that, I will find somebody else.''

We live with all that when we travel in our States. We are given a limited amount of money we can spend. Per diem it is called. We can spend it on a hotel or spend it on meals or spend it on things that we are allowed to spend it on but you cannot go over a certain amount and you cannot have three expensive meals a day and stay in a reasonable hotel and stay within a reasonable amount. You learn to have a modest breakfast and a light lunch, or you learn you can do just as well at the hamburger stand as the Hilton Hotel and live within it.

Hospitals never had to do that. For the longest period of time, we reimbursed them on their costs. Now, what goes into the cost of a hospital? It is not just the doctor. It is not just the anesthesiologist that gives you gas, whatever he gives you when they are operating. Everything goes into it—all of their labor costs, all of their meal costs. You have an executive dining room for doctors with gold-plated handles on the toilets. It is all part of their cost.

The hospital would estimate what their cost was per day, per patient. By the time you add all of their costs together, whether that is a parking lot, whether that is janitorial fees, you add it all together, and kind of figure a per day cost and you say to Medicare, well, it cost $500 a day to run our hospital. That is our costs.

And there was no limit, there was no limit on doctors early on. Doctors would perform a service. My cost was $100. Send it in. We reimbursed them. Finally, it is no wonder that Medicare costs exploded beyond belief, when you are reimbursed with no restraint.

So we started about 10 years ago attempting to restrain payment for costs. We set up a variety of commissions. We would say to a doctor we are only going to give you so much money for an appendicitis operation, so much money for a cataract operation.

But we discovered that the delivery of medical service was amazing, and—Senator MOYNIHAN has used a wonderful term—that ''demand would rise to supply.'' So long as you had doctors that would perform cataract operations, you ended up doing more cataract operations than you would otherwise do. So normally you thought this year there is going to be 100,000 cataract operations and we are only going to reimburse the doctors $100 an operation, and you think if we hold it to $100 an operation, then we will save money. But the next year you end up doing 200,000 cataract operations. You do not save money.

So that did not work very well. And there was no real competition.

So, let us get to the use of this word managed care, health maintenance organizations, preferred providers. They are all variations on a theme. A health maintenance organization is basically an organization that says we are going to attempt to restrain your and our health costs by having you receive most of your health services in our organization.

On the west coast, we are very familiar with it. We first saw it heavily again in the Kaiser operation. It started in California—Henry Kaiser was from California—and in Oregon because at the same time that Mr. Kaiser built the three shipyards in Portland and at the zenith of World War II was employing 30 percent of the adult labor force, he also had a health plan for all of those 30,000 workers plus their dependents.

By the time you counted husband, wife, a couple kids and you were employing 30,000, 30 percent of the adult labor force, you are covering an immense portion of the population, and this was the opportunity for a managed type of care. This was the Kaiser health plan. You used the Kaiser doctors and the Kaiser clinic. And Kaiser was able to restrain costs by managing care much more than what we called fee-for-service doctors or fee-for-service hospitals.

Back in the early days of the Kaiser organization it was very suspect. Its doctors were not allowed to join the local medical societies. There was actually a lawsuit brought against one of the Washington Kaiser doctors who had just put a sign over the entrance to the Kaiser clinic about Kaiser Permanente, a good health plan, or something like that, who was sued for advertising. I mean it was ridiculous.

The fee-for-service doctors hated Kaiser. Kaiser was an early entree into managed care, but they managed to hold their costs down.

I can recall in the late 1950's I was a labor lawyer in a law firm, large law firm in Portland. I was the low man on the totem pole in the labor law division. And even in those days some of the employers in Oregon, some of the big ones, some of the small ones, contracted with Kaiser for their health services. As I recall, the plans were then $30, $40 a month. If you were an employee and you did not want to use Kaiser, you could opt out. I do not even

think there was an additional fee for opting out.

The thing that intrigued me was that, on a voluntary basis, most of the employees in these companies used Kaiser. Kaiser was very good about coming over with sort of a little mobile van, medical truck for lack of a better term, and they would try to do some primitive exams, what we call annual physicals today, but they were doing them in a mobile van. And I cannot even remember what they looked for in those days, but they were trying to screen, they were trying to catch, they were trying to prevent, because they knew full well prevention was cheaper than hospitalization.

I well remember their testimony before the Oregon Legislature saying that it was not the hospital operations per se that were cheaper. What Kaiser said was, ''We are better at not hospitalizing as many people, because we catch the diseases earlier in our program''.

So we had this history of managed care in Oregon. The term is HMO, health maintenance organization. You also have something called a preferred provider organization. This is a variant on the managed care theme in which, an insurance company, like Blue Cross/Blue Shield, says we will write an insurance policy covering you but you must use our list of doctors. And they will have a list of 100 or 200 or 500 doctors. And so long as you use those doctors—it is a very wide choice—they have agreed with the doctors they are going to pay them a certain price for certain things and no more, and the doctors agree to that and the patients are referred to those doctors.

And the preferred provider organization type of managed care, called PPO, worked out pretty well, too. Both of them, HMO's and PPO's, are managed care. Both of them save money over what we call a fee-for-service style of health care. The problem is in most parts of the country they are not used to managed care.

I will give you some rough statistics, and I have picked these statistics because they are the States of the principal sponsors of this amendment.

In Oregon—and this is Medicare coverage in health maintenance organizations, not the entire population—in the Portland area, we are now slightly in excess of 50 percent of the Medicare patients in managed care. Throughout the State, it is 30 percent managed care, but increasing rapidly. Managed care obviously starts in the urban areas first and then moves out into rural areas gradually.

But I wish to put it in perspective by comparison to several other States. For Medicare managed care enrollment, Oregon is 30 percent, Massachusetts is 6 percent, New Jersey is 2 percent, South Dakota is zero, and West Virginia is 2 percent.

So in essence the States represented by the principal sponsors of this amendment have no experience of any substance, of any overwhelming consequence, in Medicare managed care.

For managed care enrollment for the whole Portland population, not just Medicare beneficiaries, but everybody, Portland has 64 percent enrollment.

Bear in mind, people do not have to go into managed care. On Medicare especially you do not have to go into managed care. It is voluntary. If you want to keep the normal Medicare system you have now and be treated that way, that is fine. Why would people go in there? They go in for a very simple reason. The managed care providers provide more benefits than Medicare.

I will read you across the list. Here is the ''Shopping for Health Care'' and it lists six major companies in Oregon that sell Medicare managed care policies to Oregonians. Let us just take prescription drugs. Medicare does not provide prescription drugs.

In First Choice—that is the name of one of the HMO Oregon plans—discounts available. Preferred Choice, part of HMO Oregon, but in a different area, discounts available. Good Health Plan, discounts available with the basic plan and in the plan plus it pays 50 percent for prescription drugs up to $100 a month. For Kaiser Permanente, it pays 70 percent of prescription costs up to $50 maximum per prescription. On PACC, it has discounts available. Now you come to SelectCare. They do not cover drugs. They are like Medicare. And then on Secure Horizons it is discounts available, mail order and walk-in.

You have a variety of different choices. And all of these companies compete with each other. And you talk about the number of doctors that are available? First Choice has 500 primary care and 1,200 doctors including specialists that you can choose from. That is a reasonably adequate supply of doctors to choose from.

Preferred Choice has 300 primary care doctors, 1,000 including specialists. And you go on, and there is none that has less than 400 that you can choose from. So you are not hard pressed to get the care you want.

And why do people go there, in addition to getting better service, better service than they are getting in Medicare? Again, they do not have to go there. They can keep the usual fee-for-service Medicare service.

Another reason is that they are used to it, if you have gone there all of your life.

Here is what happened. The Kaiser shipyards closed at end of World War II. The Kaiser health plan was so popular that when they sold the company and the shipyards closed, Kaiser continued on with its health plan, in essence opened it up to the public. And, clearly, by the midfifties to the late fifties it was a very significant provider of health care in Oregon, this managed care plan.

Today, it is growing in leaps and bounds. I am doing this from memory, but I do not think I am off 5 percent. Blue Cross/Blue Shield is our biggest carrier. In 1984, Blue Cross/Blue Shield had zero in managed care. Today, as I recall—that was 1984—10 years later, they are at about 65 percent. By the end of 1998, they plan to be at 90 percent in managed care.

Now, what is the effect of all this? Here is the essence of the difference. The difference is because of this long, long experience with managed care—which no other State has. There are a couple that are close, but most of them have managed care in the zero to 5 percent, 5 to 10 percent.

Oregon continues to increase managed care. By the end of this century, I would wager that counting both Medicare and the non-Medicare population, Oregon will have 90 percent managed care.

Because of this long history of managed care, Oregon has been able to restrain its costs and give options in terms of plans and doctors that absolutely beats the medical costs of any other State.

We are the lowest per capita cost State in the Union. And it is not because we are a low-income State. We are about in the middle; sometimes we are above the middle, sometimes we are below in terms of income of our citizens and other prices. But we are not a poverty State in the normal sense of the word. But our per capita health care costs are the lowest in the country.

I will give you a comparison. Now this is for Medicare per capita costs. In Oregon, the average Medicare per capita cost is $3,300 a year. We are at the top. The bottom is Louisiana, at $5,400 a year—same kind of operations, same kind of doctors, same kind of anesthesiologists, same kind of hospitals, $2,100 a year difference per Medicare enrollee. Louisiana has almost no managed care.

Let us just split that difference. Let us assume you do not get everybody down to Oregon's Medicare per capita cost of $3,300, where you have a $2,100 difference. Let us just assume you could save $1,000 a year. The savings is $40 billion a year in the Nation. That is $280 billion over 7 years. That exceeds the savings that we're trying to get in this bill.

Can it be done? You bet it can be done. It is being done. Will it all happen next year, like that? No it does not happen next year, like that.

But if we start moving toward managed care, we will soon find that instead of States being at 2 or 3 percent, they will reach 10 or 20 or 30 percent. Of course, you do not increase in quantum leaps of 10 or 20 or 50 percent per year. But, whether you start from zero or 5 percent managed care coverage, you can get to 50 percent pretty quickly because you will find that once people have managed care, they will choose managed care voluntarily because of better service.

Let us assume that we cannot save $280 billion a year over 7 years. Let us

say it takes time to move toward managed care all over the country, so we save half as much, $140 billion. Nobody is getting less service. Everybody is getting the choices they want, and they can stay in Medicare fee-for-service plans, if they want. But let us say you save $140 billion.

Now let's take a look at Medicare Part A and Medicare Part B and how we pay for each.

Here, again, I want to emphasize the difference. Part A is hospitals; part B is doctors. Part A is paid for out of your payroll tax. You pay 1.45 percent and your employer pays 1.45 percent. And then we recently increased the taxes on Social Security from 50 to 85 percent on the upper earning income Social Security recipients and we took that 35 percent and we put it into this part A hospital trust fund. And this trust fund owns some bonds and they had a slight surplus for awhile. They get interest on the bonds. So you have these different sources of payments coming into the part A hospital trust fund.

Part B is doctor services. From the very start, it was funded different than part A. From the time Medicare was adopted onward, we said the patient will pay part. We said that the Federal Government will pay part out of the general funds, not out of our payroll tax, out of the general funds, everyone's taxes. We put up about $45 billion a year out of the Federal Government General Treasury for that.

When we started out, it was agreed that the patient would pay 50 percent and the Federal Government would pay 50 percent. Had we held to that, Part B would be in good shape now. But it gradually dwindled down 45 percent, 40 percent, 35 percent, until it finally got as low as 25 percent and was causing a tremendous drain on the Treasury. So now it is set at 31 percent. However, the 31 percent expires and it is due to go down to 25 percent.

Bear in mind, originally it was intended to be 50 percent. If we did nothing but hold the part B percentage that the Medicare recipient pays to its current 31 percent, same percent it is now, instead of letting it drop to 25 percent, that picks up $61 billion over 7 years; that is, if you could keep it where it is.

(Mr. KYL assumed the chair.)

Mr. PACKWOOD. Do you know what would happen if you were to go back to the 50 percent that was agreed upon? You would pick up $173 billion in the next 7 years.

Now, nobody is talking about that, but if we did that, all we would be doing is keeping Medicare as it was intended when it was passed.

Now let us halve the difference. Let us say you were to go up to 35 or 36 percent and you pick up somewhere between the current $61 billion and the $173 billion. I will take a guess at $80 to $90 billion. You add the $140 billion you saved on managed care and you are now at $230 billion.

We are now at $256 billion.

This is done without any decline in service. This is done with better service—because people in managed care are getting better service or they would not be joining it—than they get from Medicare. They get prescription drugs in most cases, if they want to choose the plan that has it. No wonder they join.

It is just that these plans do not have a lot of enrollees or do not exist in some States and they could in most States if we encouraged it. And every one of these plans has to offer the basic Medicare services. You cannot go below it. You can offer more, like prescription drugs, but you cannot offer less.

I can picture the savings that we would make if we allowed these plans to offer less if they wanted. Let us say you are a wealthy retiree, and for the life of me, I do not understand why we do not income relate some of these benefits—let us take this part B that I am talking about, where you are paying a certain percentage.

You are paying about 31 percent and the Federal Government is paying 69 percent of the premium. It is the same 31 percent regardless of your income. It is the same dollar amount whether the only income you have is $10,000 a year from Social Security or whether you are J. Paul Getty's heirs. They pay the same amount of money you do.

There is no reason why somebody who has $50,000, $100,000, $150,000 in retirement income, other than Social Security—and by retirement income of $100,000, you have to have assets of about $2 million—there is no reason why they could not pay a bigger share of their premium.

Because you know what you have now, you have some poor devil working in a mill—if the poor devil has not been put out by the Endangered Species Act—that is making $25,000 a year and paying his taxes into the general fund to support someone who has $100,000 a year in income, and these taxes in the general fund have to pick up 69 percent of that fellow's premium.

It is not fair. We ought to means test it. We ought to pick up more money doing that. We have to say to the rich: ''You have to pay more of your benefits. You can afford it.''

Can we do it? You bet we can do it. We are often compared to Germany and Canada. People say, ''Well, they have single payer.'' Germany does not have single payer. Single payer is where the Government collects all the money and pays all the bills. Anybody who thinks when the Government collects all the money and pays all the bills it is getting efficiency is dealing with a different government than I have dealt with over my life.

We will be compared to Germany or Canada and they say, ''Their health costs are much lower than ours.'' It is no wonder. For years they have not reimbursed on a cost basis the way we do.

With managed care, can we get our costs under control? You bet we can. Can we do it without cutting services and benefits? We have proven you can do it.

I am going to emphasize again, Mr. President, in the Portland area, over 50 percent of the people on Medicare have chosen these private insurance plans rather than straight Medicare. None of them have to. It is totally voluntary.

The Medicare payment goes to the insurance company and their insurance company gives them these benefits in a Medicare managed care plan. It is cheaper and better than the present Medicare system, or otherwise people would not leave the fee-for-service system.

As I say, I will predict by the end of this century, 5 years from now, that all of Oregon—maybe the Portland metropolitan area, with the rural areas slightly behind—Portland will be roughly 90 percent for all of its health care coverage in managed care and Medicare will be someplace, in the Portland area, 70 and 80 percent managed care coverage.

So the answer is, yes, we can do it. Therefore, when people say the Republicans want to cut Medicare, first—here it is. This year, we are spending $178 billion on Medicare. What the Republicans are suggesting in the budget resolution is that we spend as follows on Medicare over the years: 1996, $187 billion; 1997, $197 billion; 1998, $213 billion; 1999, $227 billion; 2000, $244 billion; 2001, $262 billion; 2002, $283 billion.

Mr. President, by anybody's definition, that is not a cut, that is an increase every year. Is it as much as we would otherwise spend if we did not have any restraint? It is less than we would spend if we did not have any restraint. It is about $367 billion more than we are spending now if you add up the years.

So I am going to say, in conclusion, that this can be done. But one thing I want to say—I do not want to say ''in conclusion.'' I have a couple more facts.

One is there has been an argument about the Medicare trust fund—this is part A—in bankruptcy. Is it bankrupt? It clearly is.

Here is what has happened. On average—I am averaging these off, and I will average it to the nearest thousand—on average, a one-wage-earner family with a spouse will pay in over their lifetime of earnings into Medicare, about $60,000. That counts your payroll tax, your employer's payroll tax, part B premiums and income taxes of yours devoted to Medicare part B and any interest that is paid on the accumulated money until you retire. You have husband, wife, one of them working, the other not, paying about $60,000.

On average they will collect in benefits about $185,000, roughly $125,000 more than they pay in, on average. Well, it is obvious you cannot run on that basis very long.

What happened in 1992 with Medicare? The Medicare trust fund for hospitals started to pay out more money

than it took in in taxes. It did have some extra sources of revenue. It held some bonds. It did have a surplus. It held some Government bonds and interest was paid on the bonds, so they collected that money. They did have a few people that belonged to the Railway Retirement System, and they paid taxes into it and got some coverage. It was a relatively small amount.

Then, finally, a year or so ago, we took the cap, as we call it, off of wages. We used to limit the amount of tax that you had to pay on Medicare to a certain fixed amount. It was the same amount as Social Security, and you paid it up to a certain amount of money.

Finally, we took the cap off and said you are going to pay this Medicare tax on everything you make, $200,000, $300,000, $400,000, pay it. So all of this went into the fund, but by 1992, we are paying out more than we are taking in in taxes.

Next year, 1996, we will pay out more in total than we take in from all sources, and next year onward—interest on the bonds and everything else—from next year forward, the only way that Medicare keeps its head above water is it is going to liquidate the bonds, it is going to sell the bonds.

I am not talking about interest on the bonds. Medicare is going to take its bonds to the Treasurer of the United States and say, ''Here, we have a $100 bond. We held it in our surplus. Give us $100.''

By the year 2002, the bonds will be gone. There will be nothing left in the trust fund, and we are already paying out more money than we take in in taxes.

By everybody's estimate—liberal, conservative, Congressional Budget Office, Social Security trustees' report—everybody says that to meet the short-range test of financial adequacy, just 10 years, we are about $145 billion to $165 billion short.

There are three ways you can make it up. You can raise taxes. That is basically the Democrat's answer and has been their answer ever since Medicare has been short of funds—raise taxes.

You can cut benefits, and here I use the word ''cut'' in the exact sense, and this is what the Democrats accuse us of doing. We are not talking about cutting benefits. We are talking about a combination of managed care and payment on part B premiums, and we can save the trust fund.

At the same time that you save it—that is a budget savings, I am not trying to cover that up—but whether or not we have a surplus in our budget or a deficit in our budget, the trust fund for Medicare is short and will be gone in 7 years.

So that we ought to save, in any event. And if in the savings it helps on our budget problem in addition, so much the better. That is nothing to be ashamed of.

What does this amendment do? I love this. This amendment takes what they call the reserve—that is a misnomer, as that assumes you have money.

If we pass the balanced budget, it is a three-step process. We will be debating this particular resolution for the next 4 or 5 days. If we adopt this budget resolution, it is a broad outline of the money to be saved.

It does not specifically say here is where you save money in Medicare, or here is where you save money in defense, or here is where you save money in education.

It is a broad outline of we would like to save x amount of dollars in Medicaid or in defense. This resolution is then parceled up and given to the committees of jurisdiction in Congress.

The Armed Services Committee will get the defense portion and they will have to live within the totals. My committee, the Finance Committee, which I chair, will get Medicare and Medicaid and welfare and earned-income tax credit, and we will have to live within the totals.

We all give our recommendations back to the Budget Committee in a certain time and say here is how we have met the totals. Then we put that into a big process called reconciliation and that bill is brought to the floor and voted on.

The second part is passing this budget. That is the real vote. That is where the real outlines are reduced to specifics. That is the second part.

The third part is, will the President sign it? Because he can veto it. But it will be balanced, and that will be the third part.

If, at the end of this process—I have been here 25 years, and the last time I saw a balanced budget was in 1969, and that was by accident; we did not plan a balanced budget. But the economy was a bit better than we thought it was going to be, and when the economy is better, revenues come in better and, by accident, we collected more money than we thought, and we did not have time to spend it, so we had a slight surplus. That was in 1969.

Well, if everything works right in this budget process, if there is no phony budgeting—and so far, there has been none—and, interestingly, the press, who does not like some of our priorities, has not criticized this budget as being unreal.

Always, in the past, the press has talked about blue smoke and mirrors, and moving the pea around under the shell. They have said this is a real budget and they are starting to say to the Democrats, ''Where is your real budget?''

Let's assume that all of the committees report back to the Budget Committee and it is all put into this reconciliation package and it passes and the President signs it. Then, the Congressional Budget Office, which is a group of professionals that advise us, they work for us and advise us as to the economic effects of what we have done, have said that there will be an additional, over 7 years, beyond the balance, a $170 billion surplus. They have said this will be the case if everything else is in place at the end of this process, which is going to be, my guess is, October or November.

What do the Democrats want to do now? That reminds me. It has been 25 years since I have seen a balanced budget. And I will believe it when I see it. I will believe it when this process is over.

But if, by chance, we make it and if the Congressional Budget Office says there is $170 billion extra, what do the Democrats want to do? Spend it. The Democrats say, do not try to reform Medicare, or do not try to get Medicare enrollees into managed care, do not try to get veterans service for less money. Spend it.

That has been the answer to our problems for too long. You may have heard the Democratic leader say today that these tax cuts are going to go to the wealthy and the Republicans can give their fat cat friends tax cuts.

There is no tax cut in this budget resolution that we are talking about. There is in the House's. That is not the budget resolution that we are talking about. In this Senate budget resolution, there is no tax cut for the rich, the poor, not for anybody. We are reserving the decision as to what to do when we get to the end of this process if we have a $170 billion surplus.

If I had any druthers about it, my preference would be to pay off part of the past debt with any surplus. Lord knows, that is not going to be a popular idea, I am sure, if we have this money.

So we may get into a debate at that time as to whether or not, with this $170 billion extra over 7 years, whether we should spend it or give it back to the taxpayers. If we give it back to the taxpayers, we will debate who should get it, what is the best form of tax, and should we have a capital gains tax and a $500 tax credit, and should you limit it to people who make over $100,000 a year so the rich do not get it? That is a debate for another time.

There is nothing in this budget resolution that says there is going to be any tax cut. I would be the happiest guy around if next November we have done everything we say we are going to do and the Congressional Budget Office comes to us and says we have $170 billion extra. I have not done tumbling since I was 10 years old at the YMCA. But if we do that, I will do a back flip on this floor.

So I suggest that we simply get on with this debate. We are going to have ample time again. If this resolution is adopted, we are going to have ample time to debate the nature of the Medicaid restraints in growth and the nature of the Medicare restraints in growth.

Do not worry; there is not going to be any debate about cuts. We will have a debate about whether we should encourage people to move toward managed care in Medicare. There will another debate—and it is going to be an

interesting debate—about whether we should say that some plans on Medicare can be allowed to sell a policy if it provides less than the current Medicare benefits if a senior wants to buy it?

I will give an example. You do it with normal insurance all the time with a homeowner's policy or a car policy, where you have a $250, or $500, or $1,000 deductible. It depends upon the loss you are willing to bear. The more you are willing to bear, the less your policy costs. Should we consider selling a policy or allowing a policy to be sold that says: Mr. or Ms. Medicare recipient, we will guarantee to pay all of your medical expenses over $3,000 a year if you will pay all of your medical expenses up to $3,000 a year? My hunch is that a fair number of people will buy that kind of a policy voluntarily. Somebody else might want a policy that pays all of their expenses over $100 a year. We could allow that to be sold, too.

There was the wonderful idea you heard Senator GREGG from New Hampshire talk about. If we say the average Medicare cost now throughout the country—and Oregon is way lower than average—is $5,000 a year, and we are going to give you a voucher and the voucher is worth $5,000. You can go out and buy health insurance with it. You can shop around in Oregon with different plans. I will bet if every Medicare recipient had a voucher, you would have 12 or 15 plans all competing with each other.

If you said: I feel pretty healthy and I have retirement income of $25,000, $30,000 a year, so I will take a chance and buy that policy that I pay the first $3,000, and Medicare and my company that I buy it from pays everything above $3,000. Let us say that policy—I am guessing that a policy like that would not cost $5,000 a year; it probably would cost $3,500, maybe $3,000 a year. Let us say $3,000. So you have saved $2,000 out of what we are otherwise paying for Medicare.

If we say if you buy that kind of a policy, you can keep $1,500, and give us $500 back, you bet we would save a lot of money. There are so many options, so many varieties, so much diversity and competition that helps deliver good service in this country that we have proven works. So let us get on with the debate, and about 3 or 4 months from now, we will have the debate over the specific Medicare and Medicaid programs that we will suggest to meet these totals.

Will they be cuts? Absolutely not. They will be increases from what we are spending now. Will we give people more choice than they have now? You bet. Will a person be able to shop for delivery systems that give a variety of services? I hope so. That is a debate for another time. It is not the debate for today.

I yield the floor.

Mr. ROCKEFELLER. Mr. President, restraining myself from getting into debate with the Senator from Oregon over his closing paragraphs, I would yield such time to the Senator from New Jersey as he requires.

Mr. LAUTENBERG. I thank the Senator from West Virginia.

Mr. President, Senator ROCKEFELLER and I have sent an amendment to the desk. It is cosponsored by Senators MIKULSKI, KENNEDY, DASCHLE, WELLSTONE, and BOXER.

This amendment, Mr. President, is based on an amendment that I offered last week in the Senate Budget Committee. It is pretty simple. It takes up to $100 billion from funds set aside for tax cuts for the wealthy and puts them into Medicare and Medicaid. I would like to repeat that this amendment eliminates any suggested tax cuts for the rich and puts the proceeds into Medicare long-term care.

Now, Mr. President, the budget resolution that we are considering today forces Members to make a fundamental decision. It is a decision about what we stand for. Whose side are we on? The debate on this resolution is going to reveal a fundamental difference between our friends on the Republican side and those on the Democratic side.

As Democrats, we believe that Government was meant to serve average Americans, middle-class families, who struggle to keep things afloat; senior citizens, who struggle to make end's meet on a fixed, often modest, income; and children, the future of our Nation.

By contrast, the Republican Party has a very different philosophy and a different constituency. The Contract With America and the budget resolution before the Senate today is designed to serve the most powerful and wealthy members of our society. It has a group of winners. If a person makes $350,000, that person will get a $20,000 tax break. There is protection for corporate subsidies. And a number of tax loopholes have been protected—as usual.

On the other hand, it impairs the Medicare program that served our senior citizens so well for 30 years. It leaves intact a variety of subsidies and loopholes for the wealthy, and it lavishes massive new tax cuts for the rich.

The losers are ordinary Americans. Medicare, for a senior citizen couple, is going to cost that couple $6,400 more over the next 7 years. In the last year of that 7-year cycle we are discussing with the budget, it will cost around $1,800. We chopped away at education. And we increased taxes in place after place for hard-working Americans.

Mr. President, yesterday I had a radio call-in show to New Jersey. Person after person—these were working people, some retired—who said for goodness sake, please put aside that tax cut. We do not need it. We would like to have it, but America needs our help more at this time. And my kids will need help more one day in the future.

I noted with interest and pleasant surprise that seven colleagues on the other side of the aisle, Republican friends, U.S. Senators, said, ''Forget tax cuts. We are not taking them. We are opposed to them.'' However, the budget resolution stores away $170 billion on the other side, and over $350 billion on the House side, specifically earmarked for tax cuts, principally for the wealthy.

If my view and the view of my fellow Democrats, these priorities are fundamentally wrong. In our view, Government must stand on the side of ordinary Americans.

Mr. President, nothing better illustrates the fundamental difference between our two parties than the budget resolution's drastic cuts in Medicare—again, socked away for tax cuts for the rich. It is denied, it is not stated, but it is very clearly in the air.

To Democrats, this kind of proposal is just abhorrent. It runs completely contrary to everything we stand for as Democrats. It will hurt millions of ordinary Americans around our country.

As we can see, Medicare recipients are people of typically very modest means. Seventy-five percent of these people have incomes of less than $25,000 a year. I know that in high-cost places like my own State, like New York State, like other industrialized States, $25,000 a year does not permit the basic necessities of life, especially when considering that over 20 percent of their income is needed to supplement the Medicare health benefits that they already get.

Thirty-five percent of these people live on less than $10,000 a year, or make less than $10,000. Twenty-five percent of them rely solely on their Social Security checks. That is tough going, especially when the prospects are that they will have to pay a lot more for their health care in the future.

On top of this, we see on the chart and are reminded that seniors already paid 21 percent of their income on out-of-pocket medical expenses. If someone is earning $25,000, 20 percent, roughly $5,000, on top of their Medicare program.

Despite, however, interestingly enough, the high out-of-pocket costs and the lack of adequate medical care coverage for prescription drugs and long-term care, Medicare recipients are basically happy with the program.

The polls that have been done, the analysis that has been developed, we see that 89 percent of the senior citizens—the Medicare beneficiaries—89 percent say they are basically satisfied with the quality of care that they derive from Medicare. That will change if this resolution is approved.

Mr. President, we simply cannot cut $256 billion from Medicare without having a real impact on senior citizens.

Now I have heard our colleagues from the other side say, ''No, no, it is not a cut. You do not understand it. Democrats do not understand it.'' People across the country must not understand it, because I get lots of phone calls saying, ''Whatever you do, do not permit them to go through with this.''

It says it is intended to reduce the growth in costs for Medicare. Medicare

is going to get more money than it does today. But that does not account for the swelling of the population or the long-term needs of that population or the services that they need as they age and as their health deteriorates, which is natural in older people. These cuts threaten to force seniors to pay higher premiums, higher deductibles, and higher copayments. And it also threatens to undermine the quality of their health care, which they are content with, if not to deny many seniors the right to choose their own doctor. These cuts will fundamentally change Medicare and make it a lesser system, much more costly and less complete.

How do we do this to people with whom we have engaged in virtually a contract? How do we violate our word? How do we breach that trust?

The Republican cuts in Medicare are wrong. They break a promise with our Nation's senior citizens, people who have worked often their entire lives and have paid into the Medicare program. For this hard work the Federal Government promised health security through Medicare. This budget resolution breaks that promise. It will force senior citizens to pay, as we saw earlier, approximately $3,200 individually in additional Medicare costs; that is $6,400 for a retired couple, a $6,400 tax increase over the next 7 years, to retired persons.

Further, these are just average figures which grossly underestimate the real impact for many seniors, for those who are at the bottom end of the income scale, for those whose health care needs accelerate substantially, for those, frankly, in the greatest need. The added costs would be a terrible burden.

This last chart kind of sums it up. The budget that is proposed, the Republican budget: $6,400 tax increase for every senior couple, and for people on the upper end of the scale, earning $350,000 a year, it is a $20,000 bonus.

I have been lucky in my lifetime. I developed a good business. As a matter of fact I helped develop an industry. And I am a member of, though it is not an auspicious hall of fame, but there is a hall of fame called the Information Processing Hall of Fame, that puts New Jersey as the only State with two Hall of Famers, BILL BRADLEY in basketball and me in information processing. The kids just run after me for my autograph. But the fact of the matter is, I have been successful in business and as a result of that I have enjoyed the fruits of that success. And this is one U.S. Senator who is not ashamed of his success. I understand one of my colleagues complained about being lectured about programs for modest-income people, poor people, by those who inherited their wealth.

I know lots of people with inherited wealth who turned out to be selfless, giving citizens who have turned back their energies into the community to try to make it a better place. But speaking for myself, I came from a family where my mother was widowed when she was 36 years old. I was 18. I had already enlisted in the Army. My father died. We were left worse than penniless. There was no health care plan around to take care of us. The family owed $2,000 to doctors and hospitals, which we had to pay over a lengthy period of time, I think about a year and a half. I sent home my allotment from the military. And I worked like the devil to build a business with hard work and with the help of loyal partners. And success came our way.

But I remember a period of time when my father had to resort to the WPA, for those old enough or knowledgeable enough about that period, to try to keep food on the table, to try to have a job that would permit him to lift his head up and not be disgraced by the fact that he had to resort to Government help for his family.

So my success did not come from any inheritance. It came because I worked for it, and I did it the old fashioned way, the American way. And as a consequence, when I talk about ordinary working people I know very well what they are going through and I want to try to give them an appropriate helping hand where necessary. And this is where it is necessary. This is a commitment that was made to people, people who helped build this country to its greatest levels after World War II, after first, in many cases, serving in the military during that period of time.

It is not fair to our Nation's seniors. It is unfair, and for many it is calamitous. People can weave and dodge, wink at the truth and say, listen, just remember, we are in the Budget Committee. I am one of those. And we cannot tell the Finance Committee what to do. But individual Members of this body have said that they stand on a commitment to give tax cuts and that they would do whatever they could to block a budget resolution that does not include them. And the Republican Party, in charge in the House, made it very specific. They set aside the funding, $350 billion in the contract on America. I think it is outrageous. Why should we make senior citizens, 75 percent of whom make under $25,000 a year, pay more so we can give a $20,000 tax cut to the richest 1 percent of the population? Where is our sense of priorities? Where, for that matter, is our sense of fairness and decency?

We would be a lot better keeping a promise that we had, taking care of the education of our children so they can help lead this country in the next century to a more competitive position and regain the leadership that this country so rightly deserves and has had in the past. This amendment is an effort to reverse these misguided policies. It will take the money that is being set aside in the slush fund for tax cuts for the rich and leave it in the Medicare and Medicaid Program. That is where it belongs.

The amendment will help ensure that the Medicare recipients will not have to pay higher deductibles or copayments when they go to the hospital. It will help protect against the serious decline in the quality of their health care. It will help ensure that seniors are not denied the freedom to choose their own doctor. And it will help ensure that the Federal Government keeps its promise to senior citizens who paid and labored in good faith.

We are discussing a bill to achieve a goal, a balanced budget goal. And I think it is fair to say that almost every one of us, Democrat or Republican, would like to achieve that goal. The question is how does it get done? Does it get done by assigning taxes to senior citizens, higher taxes? Does it get done by taxing students who want to further their education but will have to pay substantially more in the $4,000 to $5,000 range, on average, to get their college education? Or to deny modest-income families, with incomes under $28,000, their earned income tax credit?

Everyone knows how tough living on that kind of income is. By saying to them, no, no, you are going to have to pay more taxes, the three—the seniors, the kids who want to go to school, and the modest-income people—you have to pay more taxes so we can balance the budget and, by the way, on the trail to a balanced budget we are going to drop off some tax cuts—$20,000 if you make $350,000 in a year. It sounds like a lot of money to me.

Mr. President we will hear a lot of denials. We have heard them this morning from the other side of the aisle. They say, no, there is not a tax cut for the rich in this resolution. It is not here. They will say the House has a tax cut for the rich. No one is fooled by these denials. The resolution that comes before us contains the fund, the slush fund to reach into and pull out a tax cut for the rich.

According to some estimates, this slush fund will contain about $350 billion for tax cuts over 10 years—not just the $170 billion that people talk about over the next 7 years.

The House hit the number on the head, $350 billion. I do not think that the intention is to deceive or to fool. But the result comes out that way. Are the American people supposed to believe that the Republican budget will not cut Medicare to pay for tax cuts for the rich? The American people know better than that. They are not going to be fooled by the rhetoric.

If anyone has any doubts, consider what happened during the Budget Committee's deliberation on this resolution. I offered an amendment that would have required a 60-vote supermajority to cut Medicaid or Medicare to pay for a tax cut for the rich. I did not have much Republican support. As a matter of fact, if memory serves me right, it was nobody, no one, who said, "Yes, we are willing to test this Senate. We are willing to put the test to our colleagues in the Senate. We will require 60 votes to cut Medicare

and Medicaid to pay for a tax cut.'' Nobody came through.

As a matter of fact, it was so extreme and the attitude was so harsh, so rigid, that I offered an amendment that said let us get after the Benedict Arnolds in our society, the expatriates who take their fortunes that they have made in this country and renounce their citizenship, and go to another country so they do not have to pay State or other taxes for the privilege of living in America. I said let us do that, let us cut that out—it is over $3 billion for a period of 7 years—and give it to veterans programs. I could not even win this commonsense amendment.

This morning I had a phone call to a veterans hospital in New Jersey. There is a new program that I helped get put into place. It is bedside phones. It is to give someone who is confined to bed or a wheelchair or is immobile a phone alongside their bed so they can communicate with their families, so they can have some contact with the outside world, and not have to go down the hall and stand where everybody is smoking and wait to put a quarter in the telephone.

That program had struck such a cord with the people in the veterans hospital, but when it came to saying OK, we want to recapture the taxes that these people are evading by running out of the country after they made it here and lived here and renounced their citizenship, and give to the veterans, I could not get one Republican Member to say, ''FRANK, that is not a bad idea. Let us at least try it.''

So I think, Mr. President, it is fair that it reflected an attitude. It is evidence. It says that we are going to take it from modest-income people, and we are going to give some of it to the rich, people who do not need it, and in many cases do not even want it. People I have spoken to have said let us invest in our society. In Speaker GINGRICH's world, it is the crown jewel of the Republican agenda. There is no way to get around that.

So when we get right down to it, this amendment is simple. It asks each Senator to decide what we said initially: Whose side are you on? That is what is going to be judged as we count the votes. That is what I stand for. That is what my Democratic colleagues stand for, and I think it is what the American people believe in. It is the right thing also for our Nation.

We have an opportunity to prevent our senior citizens from being socked with a $6,400 tax increase. Let us say no to tax cuts for those who have the wealth. Let us say yes to our senior citizens and the middle-class families who help support them.

I urge my colleagues to adopt this amendment.

With that, I yield the floor.

Mr. PACKWOOD. I am going to yield, in about 30 seconds, to the Senator from Tennessee for 15 minutes, but I want to say one thing in rebuttal.

You will notice the Senator from New Jersey kept talking about these tax cuts for the rich. There are no tax cuts in the resolution we are considering—not for the rich, not for the poor, not for the middle income, not for Congress, not for veterans, not for Medicare beneficiaries, not for anybody. That is a decision we may or may not consider when this resolution is adopted. We may have tax cuts, and we may not have tax cuts.

They love arguing over the House budget resolution which does have tax cuts, and not this resolution which has no tax cuts in it at all.

I yield 15 minutes to the Senator from Tennessee.

Mr. LAUTENBERG. Mr. President, if the distinguished chairman of the Finance Committee will permit me for a moment, and our friend from Tennessee, as well, just to say, while it is not specifically earmarked, there are distinguished Members of this body from that side of the aisle who say that this bill without a tax cut is not going anywhere. The distinguished majority leader made himself very clear on what he expects. He expects a tax cut to result from this bill.

I know it is the province of the Finance Committee. But we had a long debate in the Budget Committee about it was not for tax cuts and it was for tax cuts. At one point, it was kind of squeezed out that it was for tax cuts. At another point, it was said, ''Well, that is not our decision to make.''

Whether it is done in all fairness with a wink of an eye or the implicit suggestion that, OK, it is there. Listen, if the Finance Committee elects to give it to a tax cut program, why, that is up to them. But seven Members of the Senate from the Republican side were so discomforted by the notion that tax cuts are being considered that they renounced them immediately.

I think it tells you something.

Mr. PACKWOOD. Mr. President, he and I agree. He does seem to say there are no tax cuts. He says, ''Well, there is a reference to them. There is a discussion about them. I am discussing them. There is a possibility at the end of this process, if there is $170 billion, that we might have tax cuts. I am not sure who they might be for, or I am not sure what geographic area they will cover, or income groups they will cover. But at least he and I both agree there is nothing we are debating today that says there has to be any tax cut.

With that, I would like to yield 15 minutes to the Senator from Tennessee.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that after the Senator from Tennessee has spoken, that the Senator from Maryland, Senator MIKULSKI, may speak.

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

The Senator from Tennessee is recognized.

Mr. FRIST. Mr. President, I rise to speak as a physician, someone who speaks from personal experience, who has spent the last 18 years of his life taking care of and working with Medicare patients. I have personally treated thousands of Medicare patients, and I have seen the beauty of that system, that the system works, and that it is an effective system.

But I have also seen the problems with Medicare that we have today; the fact that it is a system that works, yes, but a system that can be improved and, in fact, must be improved if it is to be saved.

In addition, I have two 84-year-old parents. Both Mother and Dad have been beneficiaries of the Medicare Program for collectively almost 40 years; to treat a heart attack, bypass surgeries, a broken neck, a broken arm, phlebitis. My remarks are made from this perspective, with a desire to preserve Medicare, to improve it.

Several quick points. First, Medicare is not Social Security. If there is one thing I hope the debate today and Monday will bring forth, it is that Medicare and Social Security are two entirely different programs.

Second, Medicare, if we do nothing, will be bankrupt in 7 years.

The Medicare public trustees, David Walker and Stanford Ross, in their summary of the 1995 Annual Medicare Trustees' Report, said very clearly:

> * * * it is now clear that Medicare reform needs to be addressed urgently as a distinct legislative initiative.

In that same document, these public Medicare trustees say, and I again quote:

> We feel strongly that comprehensive Medicare reforms should be undertaken to make this program financially sound now and over the long term.

Finally, they say, in that same document:

> We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed on a comprehensive basis, including a review of the program's financing methods, benefit provisions, and delivery mechanisms.

Third, let me say once again that in 15 years, unless we do something, that spending on Medicare, Medicaid, Social Security, Federal and military pensions, and interest on the debt will consume the entire Federal budget, leaving no money for defense, for education, for roads, or any other programs. Yes, we must act now, and unless we take some action, it is very clear, that if spending continues at the same rate Medicare will go bankrupt in just 7 years.

The proposed bill before us is the first step because it will save Medicare in the short term. But the second step, and one that we have not talked very much about thus far, is the specific policies needed to preserve Medicare in the short and long terms. The Republican balanced budget includes a provision for the establishment of a bipartisan commission to make very specific recommendations on the solvency of Medicare, both in the short term and in the long term. This bipartisan commission will include appointments from

both sides of the aisle to address the fundamental challenges before us.

And third, as has been pointed out, we do need to update the Medicare structure. We need to bring it into 1995, 1996, and 1997 terms. And herein lies the reform effort. But as has been pointed out, the budget resolution before us today only sets the target numbers. The actual policy decisions on how to meet those targets will be made by the various committees of jurisdiction, and they will be made with the input, the advice, the counsel of this bipartisan commission and their recommendations.

Mr. President, I do bring a different perspective to this budget debate than many of my colleagues, for several reasons. First, I am a newcomer. I have been here only 5 months. I have been a member of the Budget Committee. I participated in that debate. And I appreciate that opportunity and that challenge to address this overall budget.

Second, I came directly to this body from the Medicare arena as a physician. Just 18 months ago, I was treating Medicare patients. I was transplanting hearts into Medicare patients, and I was taking care of their heart and lung disease.

Yes, I was a health care provider, and, yes, I was a specialist. I very directly felt the blows and saw the impact of some very good reforms—reforms such as the Resource Based Relative Value Scale [RBRVS] which drastically altered the way Medicare pays physicians. I had the opportunity as a hospital-based physician to see the effects not so long ago of the introduction of diagnosis related groups [DRG's]. I have lived with repeated changes in hospital physician payments. And most importantly, I have been a provider of heart-related procedures to Medicare beneficiaries.

Heart disease requires long-term management. It requires acute management and chronic management. I bring this personal experience to the table.

My patients, thousands of Medicare patients, have told me what they have come to expect with Medicare, but also what they would like to expect in the future, and bankruptcy is not there.

Before I entered medical school, I had the opportunity to study health care policy. It allows me to take that step back and look at the big picture as well. And quite frankly, coming to this body, coming to this Congress, I find it incredible that Congress has allowed Medicare to come to this point where in 7 years, unless we act through this budget resolution, Medicare will be bankrupt.

I am here to talk to my colleagues as well about and participate in that dialog of fundamental improvements to the Medicare Program.

Eventually, I plan to return to my medical career. I will return to a health care system which will be very much determined in effect by what decisions are made here over the next 7 years. I can tell you, as I look back at the alternatives, the past failures of Congress have not left seniors with choice in Medicare and really have not left taxpayers or providers with much choice. Failure for us in this body to address the problems driving Medicare's cost growth will only cripple the future of our health care system.

My appeal is very different from what we have heard over the last hour. My appeal is for bipartisanship, and I support the establishment of this bipartisan commission put forth in this bill. The budget resolution in this bill sets a reasonable target. It allows Medicare to continue to grow at more than twice the rate of inflation. No, not 10 percent as it has historically, but over 7 percent.

Last year, President Clinton recognized that the program was unsustainable at a growth rate three times the rate of inflation and proposed to allow Medicare spending at twice the rate. President Clinton, speaking to the AARP in California in 1993, said:

> Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut. Only in Washington do people believe that no one can get by on twice the rate of inflation. So, when you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid.

Mr. President, that was the President of the United States speaking in 1993. Those words could have been spoken by any Member of this body today. I would encourage my colleagues on both sides of the aisle to recognize several things: First, we have essentially all agreed there is a problem. The documentation is there. Second, we have all agreed, including the President of the United States, on what can be an acceptable rate of spending growth if we are to guarantee the solvency or the existence of this program. And, third, we all agree, on both sides of the aisle, on the desire to preserve the integrity of the Medicare program.

We are not that far apart. From some of the remarks today—and I expect there will be more later this afternoon and Monday—you would not think that, but in truth we are not that far apart. And remember, it is in the best interest of every American that we must speak to and address this issue of Medicare.

The board of trustees for the Medicare trust fund recommended that we reestablish an advisory council. In the Budget Committee, I offered the amendment which is now part of this plan to create a bipartisan commission on Medicare solvency. We are all trying to do the same thing; namely, to come up with solutions that protect Medicare's future. And I commend my distinguished colleague from Illinois, Mr. SIMON, for joining me in support of pursuing bipartisan solutions to these tough challenges that we all recognize are ahead.

It is my understanding that President Clinton believes Medicare reform must be confined to wholesale, complete, overall reform of our health care system, of all aspects. Well, that was rejected last year by the American people. I also understand that the two trustees representing the public reported to Congress that Medicare urgently needs to be addressed and, as I said earlier, should be considered as a distinct legislative initiative.

I, for one, am willing to consider all solutions to Medicare's insolvency. I would love to review plans put together in a bipartisan effort. The one thing I ask, because this is what my patients have told me, is that we must address Medicare's pending bankruptcy so it will be here in the next 7 years. The President's budget clearly failed in that department.

First, as a newcomer, I would appreciate learning from my colleagues, learning from Senator SIMON, who spoke out in support of this bipartisan commission. I would also like to hear from my colleague from New York, Mr. MOYNIHAN, about his thoughts for how together we can guarantee Medicare's future. As the ranking minority member of the Finance Committee and an expert in economic policy, he has much to offer us in this debate. And my colleague from Nebraska, Mr. KERREY, who served as chair of the Bipartisan Entitlement Commission, has been a strong voice in the need to address the long term Medicare dilemma.

I know I can benefit from the expertise of my many colleagues on both sides of the aisle. Let us go at it in a bipartisan way.

The budget resolution before us should not be an argument driven by each and every special interest. Rather, I urge each of us to begin with this plan, agreeing upon a target and follow that with an honest policy debate on how to get us there.

Mr. President, right now, we are talking about Medicare. We are talking about health care. We are looking for solutions. I caution my colleagues not just to look for short-term solutions. We need to participate over the long haul.

There is no question that Congress must absolutely slow the rate of growth by finding Medicare savings just to shore up the trust fund in the short term and buy us some time so we can address the program's long-term future, but we cannot forget those fundamental problems. The bottom line is that we cannot end up in a situation addressing, as this body has so many times in the past, only those short-term solutions.

The underlying problems will continue and our job will not be done until Medicare is restructured to prepare us all, to prepare this country, to prepare the program for the entrance of the post-World War II baby boom population. If we only try to slow the

growth in the near future, our attempts will be in vain.

We need structural Medicare reform—reform which expands choice.

My hope is that this will be the last budget resolution where we have to make some arbitrary provider payment cuts and across-the-board changes to benefits or cost-sharing requirements. Part of my hope in coming to the Senate was to share my experience and perspective with my colleagues. I reach out to them in a bipartisan way, No. 1, to pass this budget—it guarantees Medicare solvency—No. 2, to support the bipartisan commission outlined in this budget; and, No. 3, to join us all at the table as we develop a policy which will protect Medicare in the future.

I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). Under the previous order, the Senator from Maryland is recognized.

Ms. MIKULSKI. I thank the Presiding Officer.

Mr. President, I rise today in support of the Medicare amendment now being discussed.

I oppose the cuts in Medicare, Medicaid, and also in this budget resolution, I oppose the cuts in veterans' health care.

I rise in defense of the GI Joe generation. And who am I talking about when I say the GI Joe generation? I am talking about the World War II generation—the men who fought on the battlefront overseas and the women who fought on the homefront here in our own communities; those wonderful Rosie the Riveters who kept the United States of America running while the men fought for democracy around the world.

Now they are our senior citizens. They are the very ones who are the beneficiaries of Medicare and particularly the long-term care component of Medicaid. And they are the ones this budget will place an undue, devastating, and debilitating burden on. That is why I oppose these cuts in Medicare and Medicaid.

In this budget, we are given cuts, not compassion. And here we are, on the eve of Memorial Day. We just commemorated V–E Day. In a few months we will commemorate V–J Day and the end of World War II. And now we are telling this gallant GI Joe generation that promises made are not promises kept.

I am an appropriator. I once chaired the VA–HUD Subcommittee. I know about budgets. And I know firsthand what these cuts will mean.

These are not numbers or statistics or line items. These are issues related to people's care—primary care, acute care, long-term care, and to making sure that people have the prosthetic devices they need.

Mr. President, I ask my fellow colleagues in the Senate: Have we no character? Have we no memory of who these men and women are?

They are the men who fought from the shores of Normandy to Iwo Jima. America's veterans fought to save Americans; they fought to save this Western civilization; and they fought to defend the very principles that this country was founded on.

These were the women, as I said, who were called the Rosies, who made sure that not only the schools and businesses operated, but they were there making sure that we built airplanes, mobilized our defense, kept the United States of America running. And when the war was over, they went back home to raise their families, and they contributed to the greatest prosperity that this country has ever seen. We would not be here as a nation today, we would not be a superpower today, if it had not been for the GI Joe generation.

They did not hesitate when they were called to service, whether it was the battlefront or the homefront in their own neighborhoods and communities. They organized and mobilized to save America. They organized and mobilized to save Western civilization. And now they must organize and mobilize to save their very own health care.

Well, they are not alone. They should know I am on their side. I value them and I appreciate them. And that is why I oppose these cuts in Medicare and Medicaid and in veterans' health care.

This budget deals with Medicare and Medicaid. It proposes to cut $250 billion in Medicare and $170 billion in Medicaid.

The Lautenberg-Rockefeller-Mikulski amendment seeks to reduce some of the devastating effects and impacts that this would have on the very people who rely on these programs.

Let us be clear. This is the single largest cut in the history of the Medicare Program.

What will it mean to the GI Joe generation? It will mean that senior citizens in Maryland and throughout this Nation will have less access to health care. It will mean fewer visits to the doctor, reduced preventive care, including screenings for breast cancer and prostate cancer. It means fewer laboratory tells, such as delayed diagnosis for treatable illnesses like pneumonia. And it will also mean fewer doctors and hospitals accepting Medicare patients—those very doctors and hospitals that are now willing to treat senior citizens.

There are going to be fewer home health care services and seniors will have less access to lifesaving equipment, like oxygen and kidney dialysis.

The impact on long-term care is devastating. It will mean, in my own home State, that 4,500 Marylanders, senior citizens, will see nursing home care shrink in 1996 alone. They will see cuts in preventive care. They will lose prescription drug benefits for chronic diseases like high blood pressure, angina, and colitis.

Mr. President, I am saying no to these cuts in Medicare. I am saying no to the cuts that would hold up treatment of heart disease and strokes for Maryland's World War II veterans. I am saying no to the cuts that would delay the mother and grandmother in Maryland from getting their yearly mammograms. I am saying no to these cuts.

Of course, we have to worry about sustainability and solvency of the Medicare and Medicaid programs. But while we are looking at the bottom line, let us make sure we do keep the ''care'' in Medicare; let us make sure we keep the ''security'' in Social Security; and let us keep the ''aid'' in Medicaid.

Balancing the budget should not be about rhetoric or scoring political points. Balancing the budget should be about honoring the contributions of the GI Joe generation, the generation who worked hard, played by the rules, created prosperity for this country. And it should be about fighting for the future generations, as well.

This is a crucial time in our Nation's history, when we decide what kind of Nation we want to be, when we decide if promises made are promises kept, when we will decide if we will honor our mother and our father, which is not only a good commandment to live by, but I believe it should also be strong public policy.

By supporting this amendment, I do believe that we take a stand as to where we will be going in the 21st century.

Fifty-five years ago, a great First Lady by the name of Eleanor Roosevelt stood before the American people at a political convention. Europe had been invaded, Poland was occupied, the blitz had begun in London. We were on the brink of war here. She said to the American people that this was no ordinary time, and it called for no ordinary effort. And the people that she sent out that call of arms to were no ordinary generation. They were the men and women who organized and mobilized an incredible war effort—and they made the difference and they made no ordinary sacrifice.

So now, here we are on the brink of Memorial Day and there will be those who will want to honor the GI Joe generation with platitudes and plaques and parades. I say we honor them by offering our gratefulness, our gratitude, our appreciation, and our commitment to them in the U.S. budget as we pass it.

So I hope when they call the roll, we will vote aye for the Lautenberg-Rockefeller-Mikulski amendment and fight for this GI generation that fought so hard for us.

Mr. President, I thank the Senate and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Arizona?

Mr. KENNEDY. I ask that the Senator from Arizona may be permitted to speak for whatever time he wants to, and I yield it in behalf of the minority.

Mr. KYL. Mr. President, I ask unanimous consent to proceed at this time as part of the majority time.

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

Mr. KYL. I thank the Chair and I thank the Senator from Massachusetts.

Mr. President, I would like to correct one thing briefly before proceeding to the comments I intended to make. It is my understanding from the staff of the Budget Committee that the veterans medical care is not—I repeat ''not''—being cut under the Senate budget resolution. To the contrary, under the President's plan, VA medical care is cut by $780 million by the year 2000. That is a cut under his 1995 budget numbers.

Mr. President, as long as we are talking about promises made and promises kept, I think it is important for us to reflect a little bit on the promises made in the last campaign for President. President Clinton, of course, promised to give us a balanced budget. He said he would submit a balanced budget. He bragged in his first year about submitting a budget that would get us to balance. This last budget, the one we just rejected by an overwhelming 99–0 margin, of course, would not get us to a balanced budget. As a matter of fact, it has deficits for 5 years, averaging $200 billion a year, adding $1 trillion to the national debt of this country.

So, Mr. President, in terms of promises made and promises kept, certainly the President has not kept a promise that he has made to help us get to a balanced budget.

Insofar as the Democrats are concerned, many of them opposed the balanced budget amendment when it was debated on this floor, arguing that they did not need a constitutional constraint, they could do it without a requirement. Yet, today, we find that there is no Democrat alternative pending before us; none has been offered. The only one coming from a Democrat—the President—was opposed by all Democrat Senators in this Chamber just a few hours ago.

So while our Democratic friends are very good about suggesting problems with the approach we have taken, it is all negative, it is all criticism. There is no constructive suggestion as to how we can achieve a balanced budget. So I suggest when we are talking about promises made and promises kept, it is the Republicans—first in the House last night and in the Senate this week—who by Wednesday of next week will have kept the promises we made in the last election—promises made and promises kept.

That will be a good test for the voters next time we have an election. Who promised to balance the budget and who is keeping their promise? I submit, Mr. President, that the voters will decide it has been the Republicans that have kept the promises that they made.

A few minutes ago we had on the floor of the Senate a chart, which was the basis for the comments of the Senator from New Jersey, and the chart had the title, ''Whose Side Are You On?'' Much of the debate of the Senator from New Jersey at that time focused on this division of our country, the winners and the losers in this entire debate.

It was typical of the politics of division, which are, frankly, the politics of losers, the politics of fear, the politics of a zero-sum game, of pitting one side against the other, pitting part of our society against another part of our society. It is the us-against-them game, the rich versus the poor, the old versus the young. It is a zero-sum game, as I say.

They cannot conceive of any situation in which there are not winners and losers. In their view, if we balance the budget, there will be winners and there will be losers. I submit, Mr. President, that if we balance the budget, as the Republicans promise to do and as our budget says we will do, we will all be winners. Every American will be a winner under that scenario. And the fear that is being preached on the other side of the aisle here, that somehow there will be losers, will be found to be incorrect. That for every winner there must be a loser is wrong historically, and it will be wrong under this budget.

The amendment that is on the floor right now attacks tax cuts for the rich. As the Senator from Oregon pointed out a while ago, there are no tax cuts for the rich in the Senate proposal. There are none. What the amendment that is on the floor proposes is to take a sum of money—$100 billion—and spend that money, even though it has not been created yet. This is what we hope can be achieved as a result of achieving balance in the budget by the year 2002, as a result of reduced interest rates. And so because there is the potential that we will have saved that much money, Democrats are already suggesting to us in the amendment pending on the floor ways to spend that money. They will not agree with us on the budget to achieve that reserve or that windfall. They will not vote for it. But they will sure as heck find a way to spend it.

That is what characterizes this entire debate. First, they say, no, we do not need a balanced budget amendment; we can do it on our own. Then they say, no, we do not have any idea how we can do it on our own and we will not support yours, but we would like to spend what you save. That is the amendment pending before us and the amendment we should defeat.

The sponsors of this amendment attack our budget as ''hurting ordinary Americans.'' That was an exact quotation of the Senator from New Jersey. It is the failure to act that will hurt ordinary Americans.

But, Mr. President, I would like to really phrase it in a different way. Too many Democrats want to protect ordinary Americans. They would like to keep them dependent on the Government. Most Republicans disagree. Frankly, we do not think there is such a thing as an ordinary American. We think all Americans are extraordinary, and that given the opportunity, they can all improve their own lives and the lives of their families. And that is what we are trying to do by balancing the budget. We are trying to provide that opportunity for them so that all of the extraordinary Americans in this country can provide for themselves without having to rely upon a Federal Government that taxes them and regulates them to death.

We believe in opportunity, not dependency. We believe that almost all Americans can achieve more for themselves and their families if they have opportunity. But they will not have that opportunity if we bankrupt this country, and that is what will happen if we do not balance the budget. That is what will happen if we do not adopt the budget before us that will achieve balance by the year 2002.

Balancing the budget is about our future, about our children's future. It is about reducing the tax burden on our families, about allowing the Government to spend money on something other than interest on the debt, about reducing interest rates. As a matter of fact, Mr. President, let me cite some statistics from the Joint Economic Committee. According to the committee, the deficit adds a 2-percent surtax on all interest rates; 2 percent more on car loans, student loans, credit cards, and on mortgages. Two percent on a $75,000 30-year mortgage, for example, adds up to $37,440 over the life of the loan. That is what not balancing the budget is costing average Americans.

If current patterns continue, we will be spending $5.2 trillion on interest payments over the next 15 years.

That is money we cannot spend on other things like health care, housing, nutrition assistance for the poor, veterans care, or whatever.

By 1997, gross interest—$300 billion annually—will amount to about as much as we will spend on income security programs, the welfare, housing, nutrition, AFDC, SSI, EITC, food stamps, education and training, employment and social services, all of these things combined. But eliminating the deficit will result in lower interest rates, which will, in turn, lead to the creation of an estimated 4.25 million jobs over the next 10 years, increased per capita incomes by over 16 percent, and will generate more revenue for Federal and State and local treasuries as a result of increased economic activities.

So by balancing the budget, we will be assuring our children a brighter future. In the last election, I was very troubled by the fact that many people believed—and surveys confirmed this—that the next generation, our children's generation, will not have as much opportunity as we have had.

Part of the election was about turning that around, about changing the direction in our country so that we could guarantee that our children and grandchildren would have the same opportunity that we have had to make a better living for themselves.

The national debt now amounts to about $4.8 trillion. That is about $18,500 for every man, woman, and child in the country, about $74,000 of debt for the average family of four. Even if we balance the budget at this very moment, the average American family would be stuck with a bill of $74,000, an amount that rivals the size of the mortgage on a home. In order to pay just the interest on that debt each year, the average family would have to pay more than $5,000 annually in taxes. That is $430 a month just in interest payments, and that assumes that Congress does not run any more budget deficits starting this very moment.

Fortunately, this budget resolution will eliminate the deficits by the year 2002. That compares with President Clinton's budget which would have given us $200 billion deficits every year for the foreseeable future. Just to put this in perspective, for every year in which the Federal Government runs a $200 billion deficit, the average young person will pay an additional $5,000 in taxes over his or her lifetime. The $1 trillion in new debt that President Clinton proposed in his 5-year budget plan represents an additional $25,000 in taxes, an additional $25,000 for every young man and woman.

So you see, Mr. President, why it is so important that we pass this budget and balance the budget. It is for the future of our country. What will happen if we do not do it? That is the question. Our colleagues on the other side, too many of them, ask what will happen if we do. Somebody might be a loser, but everybody in this country will be losers if we do not balance the budget.

The burden of the national debt does not just show up in people's tax bills. It also adds a surtax in interest, as I said. The estimate is that the debt surtax adds about 2 percent to those interest rates. By balancing the budget, we can help eliminate that surtax and make a home purchase more affordable, make it easier for families to send their children to college and to do all the other things we want our families to do.

I want to commend the chairman of the Budget Committee, Senator DOMENICI, for his work in putting together this budget resolution, and all the members of the Budget Committee. It was not easy. Special interests, their allies at the White House and others are already out trying to destroy it.

The naysayers have not gotten the message the American people sent loudly and clearly in the last election that they want less spending, less Government and more freedom.

The critics have nothing to offer but fear. Their argument is to scare everybody about what will happen if we reduce spending. They do not want us to cut spending. They are not even satisfied with some limitation on the growth in spending. All they know is more spending, higher taxes and bigger Government. It is a prescription for economic disaster. The red ink has to stop. Look where Medicare is headed. The Medicare board of trustees say if nothing is done, the trust funds will begin losing money in 1997 and go bankrupt by the year 2002.

Mr. President, I will have more to say about this Medicare issue later. The Senator from Tennessee, who spoke eloquently on this issue and who is himself a physician, has made it very clear in his remarks that we have to solve this problem of the Medicare trust, and if we do not, every American will suffer.

We also have the question of tax cuts before us, but they are not in this budget resolution. I will support the Gramm amendment which will provide tax cuts because we believe that not only should American families have more to spend of the money they have worked hard to earn, but that tax cuts can actually assist us in generating more revenues to the Treasury and providing more jobs and in stimulating the economy.

Mr. President, I am going to have more to say about those things later. I would just like to close with this point. For me, there are three very personal reasons to vote for this balanced budget resolution. Their names are Frances, Christopher, and Jonathan. Those are my three grandchildren. Born just a week ago today, Jonathan already owns a share of the debt, $18,500 and growing. The last thing any of us wants is to leave our grandchildren a lower standard of living, and yet that is precisely what will occur if we do not balance the budget.

The last thing we want to leave our grandchildren and children is the obligation to pay the large and growing debt that we have accumulated to pay for things that we wanted, but that is exactly what will happen if we do not get the Federal budget under control.

So I urge my colleagues not only to oppose the amendment which is before us but to support the budget resolution from the Budget Committee, because it offers us the way to a brighter future for ourselves, for our generation, for our children and, as I say, for those grandchildren that we care so very much about.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield myself such time as I might use.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KENNEDY. Mr. President, I have been listening to the debate over the course of the afternoon and before making some particular remarks on the amendment that is before us, it is perhaps useful to try and put this whole debate into some historical context.

I was here in 1981 when we had the Reagan budget. I happened to be 1 of 11 Members of the U.S. Senate that voted against it because of what it was going to do to the size of the Federal deficit. We heard at that time, ''What we are embarked upon is a new federalism. All we have to do is see these massive tax cuts, dramatic increases in defense spending, and we are going to stimulate the economy and we are going to be able to have balanced budgets.''

At that time, we had a $450 billion deficit. At the end of 12 years, we had a $4.7 trillion deficit. I yielded time to someone on the other side and they said, ''Well, the Democrats controlled the Congress.''

Let us not forget. There was only one time during that whole period of time that the Reagan recommendations to the Congress were less than what was actually appropriated—less.

So when I listen to all this talk about how we ought to examine where the Democrats have been and where they are, I can ask our good friends, where are those speeches now when we followed their advice some years ago and put this country into the kind of deficit that the Senator from Arizona has talked about and complained about?

So we ought to look a little bit about where we are. The fact of the matter is, if we did not have the kind of deficits that have been run up over the period of the last 12 years, effectively our budget would be balanced. It was their economic policy that put us in here. And it was the economic policies that were accepted in this body without one single Republican vote that moved us to reduce the Federal deficit by $800 billion and also provided some incentives, some financial incentives for those Americans who are at the lower level of the economic ladder—the working Americans, those who are making $26,000.

Effectively, they have about a $1,100 benefit from it. Well, no longer, not under this budget. No longer, not under this budget. They have closed that down as well. They have taken the EITC away. A program that was even supported by President Reagan years ago, they closed that program down.

So when they talk with crocodile tears about equity and they talk about who has been benefiting, it was during that period of time, from the 1980's to the 1990's, when the wealthy got wealthier and the working class got poorer. That is what has happened over that period of time. What is repugnant to many Members of the Senate is now that we are taking those Americans who are the most vulnerable—our elderly and in instances our young people, the millions of children who are on the Medicaid Program—and putting them at further risk and saying, ''Well, we have to do that, we have to do that, what are the alternatives?

There is no cutting here with regard to corporate welfare in this program. In the House of Representatives, Mr.

KASICH had a bundle of $25 billion, and the powers that be in the Republicans said, ''Oh, no, put that aside.''

Why is it the Budget Committee had time to consider raising taxes on the working poor and did not have the time to put taxes on the billionaires that are forfeiting their citizenship in order to escape taxes?

They did not have the time to do that. They could not give that consideration. They need to study that more. They did not need to study how to put more taxes on working families. No, they did not need to study that. They have to study about how to put on some taxes on the billionaires that are renouncing their American citizenship after they have made their resources here, to go to another land and not pay their fair share. They could not think about that.

They could not find, out of all the tax expenditures, any funds for help and assistance. They could not look into the kinds of grazing fees or the kind of mining agreements or other kinds of subsidies that are taking place out there. They could not even find nickels and dimes in there. No, they could not.

So we are faced with this. We have a serious issue and problem. The last time that I read the Lautenberg-Rockefeller-Murkowski-Kennedy-Murray amendment, it said that in the little honey pot that has been designated out there, the $170 billion that can grow up to $350 billion in the outyears, all it says now that is that it can be used for tax cuts.

We know what the purposes are. There can be those that want to deny that on the floor. Except the majority leader has indicated that he is for a tax cut. Senator GRAMM of Texas says he is for a tax cut. Republicans say they are for the tax cut.

All we are saying is, put it into Medicare. Put it back into Medicare. If they are going to have it there, make sure it goes on back to Medicare.

Mr. President, I think it is fair to put Congress into some kind of understanding about where we are at this particular time. There is nothing in terms of the amendment that is before Members that will undermine the basic structure of the budget resolution that comes out. Many Members have and will have different amendments on that, that will deal with education and also deal with the earned-income tax credit.

I see my colleague and friend from Washington, who addresses that issue with such eloquence and knowledge, and I think, with such fairness, about what the implications are for working families.

Then, Mr. President, we hear about the questions of fear, those who are say this should not be fearmongering. I will say, Mr. President, that senior citizens ought to have a concern when we are talking about the kinds of cuts in Medicare—and I will get into that in a few moments—that we are talking about and also the kinds of cuts that will be in Social Security. I will come back to that.

This is the stealth cut on Social Security. Stealth cut on Social Security. Remember all the speeches—''We are not going to touch Social Security.'' This budget does. I will come back to that in just a few moments.

The fact is when our seniors are living at the edge, they ought to be concerned about this. We hear, well, look what happened last year. We had President Clinton talking about how growth is not really a cut in terms of the Social Security and the cuts in Medicare.

The fact of the matter is, under the health reform bill last year, more was put in than was taken out under the Medicare. More was put in than was taken out. That was in the prescription drugs and also in the long-term care provisions.

That is not what we are talking about here. We are talking about the major cuts that are going to be used for tax cuts for the wealthy.

Now, our friends on the other side can talk about where the President was last year and try to confuse the debate. It should not be confused among the American people. They knew they were going to get help and assistance on prescription drugs and they knew they were going to get help and assistance on long-term care.

My friends, all that will happen under this Medicare proposal if this budget goes through and it is followed through will be very, very significant cuts.

Now, another argument that I have heard this afternoon, well, where is the President's program? Where is the President's program? The President said where it will be. He said, just drop that tax cut, indicate how we want to change Medicare in terms of health care reform. Health care reform is important because Medicare and Medicaid are a quarter of the Nation's health care expenditures. We will not be able to get a real handle on those expenditures unless we do the total, all four quarters. That is the only way we will ever reform the system, the only way we will stop the cost shifts that are taking place in every hospital in this country. Everyone in this body understands it and knows it. We have to deal with it in the totality. That is what the President said. Deal with Medicare in terms of overall reform.

Eliminate the cuts in education. I am amazed at the kind of cuts we are facing in terms of education. We passed last year the reform of our Head Start program, on the basis of a bipartisan review, and we had overwhelming support—I do not think there were five votes against the Head Start program. At least 500,000 young people will be cut out of the Head Start Program under this budget. We revamped the chapter I program, and had an important debate about allocations of resources and formulas, about how we would try to meet the greatest needs in our shifting population, a result of the flow of migrants, which has a significant impact in this country. We spent a lot of time on that matter. Republicans and Democrats alike, bipartisan support, restructured that program.

Even on the Goals 2000 program we had bipartisan support. On the school-to-work program, Gov. Tommy Thompson, a Republican from the State of Wisconsin, thinks it is one of the most important and significant education programs to come down the line. Ask the former Republican Governor from the State of Maine, who has written a book about it. I was with him yesterday and we celebrated the 1-year anniversary. He talked about the difference it has made in the lives of the young people in his State. Bipartisan support. We moved to a direct loan program for higher education. Bipartisan support.

Each and every one of those programs—bipartisan support. And we got some funding for those programs. Effectively, this budget is going to emasculate those programs.

I will go through this at another time when we come to the education debate. What is it? Is this allegedly what the vote for change was about last fall? I do not believe so. I do not believe so. I do not think that people in any part of this country, if we are asking, think that those are the areas that we want to cut. And these are the cuts that are being made in this particular budget area. And we will come back to those. I do not think that is what the people are asking.

The President has indicated his willingness to move forward in a bipartisan manner, dropping the tax cuts, put the Medicare proposals in terms of a comprehensive reform program, and to continue commitment to education.

Education, when I came here, for the first 20 years was a bipartisan effort. We never had a single partisan debate on education policy until very recent times. Everything was virtually a bipartisan effort. It was true in this body and the other. And bipartisan even in the last year when we were moving into a difficult election cycle and period, we were still together in terms of the bipartisan nature of the education programs. Those programs now have been undermined.

Mr. President, we are talking in this debate about fairness. We are talking about equity. We are talking about the impact of these budget cuts on working families. They all hit working families. Cut back on that Medicare program and we are hitting the parents of working families. We cut back on the student loan program and we are hitting the sons and daughters of working families. We cut back on the Head Start Program, the other kinds of support programs, chapter I—we are hitting the sons and daughters of working families.

Basically, this amendment is saying we have to make some adjustments in Medicare, but do not put your greedy, budget-cutting hands on Medicare in

order to provide a tax cut for wealthy individuals.

Now, we ought to be able to agree on that. That is what the issue is. We want to restate it, reconstruct it, and say OK, we will do it. That is the point.

Mr. President, we have heard other Republican arguments in support of their cuts. The first argument is total Medicare spending will continue to grow under their plan, so there has not been a real cut. The second is, as I mentioned, that the Clinton plan cut Medicare just as much as the Republican plan, so the Republican cuts must be OK.

There seems to be a double standard here. When you do not keep up with inflation in the Defense Department budget, that is a cut. That is a cut. When you do not keep up with inflation in Medicare, that is an increase. I hope our friends are going to explain that, why, if we do not keep up in terms of inflation in DOD, we are going to see that as real cut in terms of our national security. That is what the debate is. We have heard it. We understand it. We know it and it is a policy decision that has to be addressed.

But let us address it all fair and square. Let us say we understand that and now we are either going to increase it or not increase it. Senior citizens are not stupid. They know what is a cut and what is not. Under this proposal they will pay $442 more a year for their part B premiums than they would under current law. That is a cut and it comes straight out of their Social Security check. It comes right out of their Social Security check.

So much for the promise never to cut Social Security. They know that under this proposal they are likely to see a doubling of their part B deductible to $200. When you have to pay an additional $100 to go to the doctor, that is a cut. And under this proposal they are likely to see a new 20 percent coinsurance increase for home health services. This means that of the very sick lower-income women over the age of 75 who need home care, most will pay an additional $3,800 a year. When Medicare gives you $3,800 less protection, that is a cut.

Overall, on average, senior citizens are going to pay an additional $900 per year when the plan is fully phased in; $3,200 over 7 years. An elderly couple will pay an additional $1,800 a year and $6,400 over the next 7 years. Our Republican friends may not call that a cut but every senior knows that when your Medicare program will not buy you the health care you need at a price you can afford, your standard of living has been cut. And that is just plain wrong.

The Medicare cuts in the Health Security Act were not comparable to the ones proposed today. I would like to address that particular issue.

Mr. President, I want to just take a moment or two of the Senate's time to explain how this particular proposal that is before us now, the budget, is really a cut in Social Security; a cut in Social Security. We remember the debates we had. ''We are not going to cut in Social Security.''

In regards to the part B proposal, in the 1993 OBRA we established a certain dollar figure that represented the 31 percent of the part B premium. But that was really higher than was expected under the agreements that were decided in the early 1980's under the 1990 tax bill, and without the changes in this budget proposal, it was intended that the premium would go down to 25 percent. It would go down to 25 percent. But the Budget Committee now is not letting it decline to 25 percent but setting it at 31.5 percent from now and continuing. It was going to go down.

When I hear on the floor we are just extending the current law, the current law, if you did not touch it and did not extend it, the premium would go down. It would go down to 25 percent. They are continuing it at 31.5 percent. So what happens? You get an increase if you are in the bottom percentile for Social Security. You would get your increase on the COLA, but with a 33 percent cut due to the part B premium increase—that $161 which was to represent the increase in the COLA is now $27. That is a cut in terms of what you were going to get in Social Security. The part B premium is part of Social Security. It is voluntary, but basically there is uniform acceptance, and understandably so, in light of doctors' fees. And that cut is right across the board. The 25th percentile, or the average, is where the cut would come. The real COLA will be down some 57 percent; instead of getting $237, you get $103; instead of getting $303 for those with $10,000 or more you end up with $169. That is a real cut in the Social Security.

The Republican budget will raise premiums and reduce Social Security by more than $1,750 per senior over the life of this budget. If you did not have that provision written into the budget by the Budget Committee, if that provision concurred with existing law where it was down to only 25 percent, every senior citizen would have $1,750 more over the life of this budget plan.

So, that is a cut in terms of real income. For whom? For Social Security recipients. And for an elderly couple the reduction in the Social Security check will be a whopping $3,500. Next year alone, as a result of the Republican budget, the seniors will see a premium increase of $134 compared to current law. That will cut out more than half of the average COLA increase of $237. Lower-income seniors will lose 83 percent of their COLA. The last time the Republicans tried to cut the Social Security COLA they were forced to back down. Now they are trying to do it by stealth, but it is not going to work.

It is not only through Medicare that the Republicans are attacking Social Security. Look what has happened over in the House budget. In the House budget the Republicans have arbitrarily assumed an unprecedented and unilateral reduction of CPI (Consumer Price Index) by six-tenths of 1 percent; the goal or effect of this change is to rob $23 billion in Social Security benefits over the next 7 years. There is the House Republican tax break for the top 1 percent of the incomes, those over $200,000. The House Republicans' six-tenths of 1 percent on the Consumer Price Index is $23 billion of that.

There are those who can say look, we have reviewed this. The Consumer Price Index was worked out in the Bureau of Labor Statistics. It has been there over a very considerable number of years, with Republicans and Democrats. Maybe it ought to be adjusted. Maybe it ought to be changed. Maybe it ought to be altered. But is it not interesting that the time the Republicans alter it is the time they wanted the resources for the taxes for the wealthiest individuals in the country?

I mean, at least make the adjustments and change at a neutral time. Convince the American people that this has nothing to do with trying to get additional resources to give to the benefit of the wealthiest individuals. Do it at a neutral time and have those hearings in both the House and Senate. Do it at a neutral time. But that is not the way it was done. It was tied in to this particular budget resolution.

I personally think that there ought to be an adjustment. I think there ought to be an adjustment. And I think when you have a real kind of evaluation of the adjustment you are going to find out that seniors are the ones who are paying more for the most important items that are absolutely essential in their lives: More for their rent, more for their food, more for their health care. Look at what has happened to health care since the time Medicare has been put in. Where $1 out of $12 was being used for health care, now it is $1 out of $5 or $1 out of $4, that is being used to pay for health care.

If you say there are certain items that ought to be weighted in order to be able to live with some degree of dignity in our society, some degree of peace, some degree of security, I think a careful evaluation of this program would indicate that they probably are being shortchanged. Maybe yes or maybe no. Maybe yes or maybe no. But one thing I do understand, and that is that this change, this alteration—whether it has the support of Mr. Greenspan, whom I respect, and other economists—we can listen to the same number of economists who feel the other way, who do not support these kinds of reductions. It should not have been done as part of a budget program to provide for those kinds of benefits. It is basically and fundamentally wrong.

So, how can any budget plan that purports to be part of a Contract With America break America's contract with the elderly? It is bad enough to propose these deep cuts in Medicare at

all. It is even worse to make these cuts in order to pay for an undeserved and an unneeded tax cut for the wealthiest Americans.

The cuts in Medicare are unpleasant—$256 billion over the next 7 years by the time the plan is fully phased in. The average senior citizen will likely have to pay $900 more a year in Medicare premiums and out-of-pocket costs, and an elderly couple would have to pay $1,800 over the life of the budget, in additional costs. The typical senior citizen needing home health services would pay an additional $1,200. If anyone is sick enough to need the full home care, they will have to pay $2,400.

The fundamental unfairness of this proposal is plain. Because of the gap, senior citizens already pay too much for the health care they need. The average elderly American pays an outstanding one-fifth of their income to cover health care costs, more than they paid before Medicare was even enacted 30 years ago.

The reason we enacted Medicare was because the elderly faced a health care crisis then. The lower income older seniors pay even more than one-fifth of their income for health care, and Medicare does not even cover prescription drugs. The coverage for nursing home care is limited.

I see other colleagues who I know want to address the Senate. But let me just conclude finally in this debate so our senior citizens understand exactly where we are during the course of this debate and discussion.

At the start of this session, we heard a great deal about how we wanted to make sure that all the laws that we passed in the Congress were going to be applicable to the Members of Congress. The Democrats supported that. The Republicans supported it. It would have passed last Congress. It passed now. We have supported it, and we are glad. We have heard a lot of speeches about it at the start of the year, and we will continue to hear about it.

There is an interesting other side of the story that we do not hear very much about; that is, why are we not providing for the American people what we are providing for ourselves? We have said we will provide for ourselves what we have extended in laws to the American people.

The other side of that is that we have a very good health care program; very good, indeed. Are we debating here on the floor of the U.S. Senate how we are going to provide for the seniors the kind of health care bill that we have? Oh, no. We are talking about cutting theirs. And we heard last year, well, if you look at the Members of Congress and the senior citizens, you can say, ''Well, you know, we changed it now with the Members of Congress. We are capping them. We are going to cap the amount.'' My Lord. When we talked about that last year, that was price fixing. We cannot do that. We cannot talk about that. That was price fixing.

At least we are making some attempt to try to deal with it. But let us take a little look where the average senior citizen is, and where we are and where we are going under this budget proposal. The average annual income, $133,600 (for a Senator); the average annual income for senior citizens, $17,700—$17,700 for those senior citizens.

The monthly premium, individual, part B, is $46.10. This is the one that is going to rise on up under the proposal of the budget.

The deductible for Members of Congress, $350—$816 for our senior citizens. And they are going in one direction; they are going up.

Hospital care, unlimited; for the senior citizens, limited; prescription drugs, covered; and not covered for the senior citizens.

Go in to any room of senior citizens in this country. Ask them, ''How many of you are paying $50 a month or more for prescription drugs?'' Half the hands will go up. Ask them how many are paying $25. Do you know what you get? You get a roar of amazement, like they cannot believe you do not understand that 70, 75, 80 percent of them are paying $25—closer to $50—but $25 a month out of their Social Security checks for prescription drugs, the prices of which have gone way up as they have for the last 2 or 3 years.

We have that kind of coverage. We have that kind of coverage, not senior citizens. There is nothing in this bill to try to deal with that.

On dental care, we are covered with a good program. They are not covered at all. And preventive services, we have the cervical, prostate cancer, and other preventive diseases. They have some benefits. Out of pocket limit, $3,750. They have none. It is $3,750, for Members of Congress, but they have none.

You would think most people around here would think: ''How are we going to have this group look more like that group?'' That is what you normally would think that we ought to be debating around here.

How many of you are going to let the senior citizens have closer to what Members of Congress have and 10 million Federal employees have? That is what we ought to be debating around here. Instead, what we are talking about here is how we are going to make this less valuable, with increases in each and every one of these categories. Not so over here; not so for the Members of Congress. But over here, for who? Our senior citizens who are averaging $17,700 in annual income; and Members of Congress, $133,600.

Mr. President, this is the reason that the President of the United States was saying: Look, you want to try to figure out how we can try to deal with health care as a way of making it fair and equitable, keeping our citizens healthier, enhancing preventive programs so that it will be less costly, keeping elderly people out of the emergency room, and being able to treat them with in-home care, in congregate sites in their communities. You want to try to deal with those kinds of issues, home care and other issues, but do not provide further cuts on our senior citizens to have a designated fund that will be available—not just for education, not just for health care reform, but for tax reduction.

We will hear, ''Well, this really is not a fund. We do not know whether it will be there. And if it is, we may use it, and we may provide a lot of tax cuts for all the people that we are concerned about.''

It is so interesting that we could look at the background to know where those tax cuts will come, both in the House and the Senate, as those that have been designated for the wealthiest individuals.

So, Mr. President, this debate is important. It is important because of the issue of Medicare. It is important not because of just the dollars and cents, although we focus a great deal on the dollars and cents; it is important because of the degree of anxiety that is going to be out there for our seniors.

We do not give much weight to the problems of anxiety that affect our people. We cannot put into the budget what a parent thinks when they have a sick child crying in the night and they are wondering whether that child is $150 sick, because that is what it costs to go to the emergency room. ''Maybe I should wait a day or 2 days, and let that child get better or sicker because I cannot afford that $150.'' We do not measure that in this budget resolution.

We treat it too cavalierly, the kind of concerns that elderly people have, those that have lost their eyeglasses and wait 6 or 8 weeks without being able to read a book because they have not gotten their next Social Security check to be able to buy a set of eyeglasses, let alone the other problems that you have. Every Member in here hears from them.

Medicare does not cover dental care. How many Members in here spend staff time trying to get a doctor that will say an elderly person has indigestion or major internal problems, and the only reason they have it is because they are not chewing properly and, therefore, in order to solve an internal problem, they need to get a set of dentures?

I mean, that is going on every single day, the amount of staff time people spend, the anxiety that people have. The same is true of foot care. The same is true with the tragedy of prescription drugs.

I want to conclude with the very story of two witnesses that I had last year, one named Clifford Towne, who lived with his wife, Marie, in South Dartmouth, MA.

Clifford Towne is a veteran who fought in World War II. He worked hard all his life in the textile business, and when he retired he had over $100,000 in the bank. He owned his own home. He had a good pension from Social Security. Both he and his wife developed serious medical problems. High medical costs that Medicare does not cover, especially the prescription drugs, had

wiped out his savings. He had to run up large debts, and, as he told our committee, he tried to qualify for Medicaid but his Social Security income was too high.

He said:

> I told him the only way I could get help for my wife was to leave her, but after 48 years I just couldn't do that. I would rather kick the bucket than be forced to get a divorce.
>
> So my wife and I talked it over and decided that when we could not pay for the drugs anymore, we would just have to stop taking the prescription drugs. We would rather pass away together—or at least as close together as we can. After 3 or 4 months ago I already cut down on drugs for my blood pressure. I don't want my wife to have to cut down on her medications until we have no other choice.

Mr. President, that is happening every single day in every single community of this country. And this debate ought to be how we are going to try to help and assist that family—not how we are going to put that family at even greater risk with the kind of cuts that are included in this budget proposal that attacks the Medicare Program.

Mr. President, I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, for the information of my colleagues, it is my intent to speak for 15 minutes. The Chair will please notify me at the end of 15 minutes.

Mr. President, in listening to my friend from Massachusetts, it is interesting to note that he did not say ''here is a better idea.'' It is interesting to note that he did not say the President had a better idea. I believe the Senator from Massachusetts voted against the President's budget. I would say he was right because the President's budget needed to be voted down. The President's budget allows the deficit to continue to climb. The President in his state of the union speech and in his campaign speeches said he was going to bring the deficit down, but, unfortunately, that is rhetoric. That is not fact.

The facts are that under the President's budget the deficit goes up every single year and it is shocking to see how rapidly it goes up. As a matter of fact, under the President's budget the deficit increases by $100 billion in the first 5 years. The deficit right now is $177 billion, in 1995. Under the President's budget, in the year 2000, it goes up to $276 billion. That is a $99 billion increase.

By balancing the budget for the first time in 29 years, we have a chance to make history. The House of Representatives made history when they passed a budget last night that says, as scored by the Congressional Budget Office, we are going to eliminate the deficit.

The President's budget as scored by the Office of Management and Budget has deficits that stay at $200 billion for the next 5 years and then go up to $300 billion. But the President in his State of the Union Address in 1993 said he was not going to use fictional numbers; he was not going to use smoke and mirrors. He stated that he would use the estimates of the Congressional Budget Office. The Congressional Budget Office says that his deficit increases nearly every single year.

Next year, under the President's budget, the deficit increases from $177 billion to $211 billion, then to $232 billion in 1997. By 1998, it is $256 billion; in the year 2000, $276 billion. So in a clear trend the deficit is going up $100 billion in 5 years under the President's proposal and really crossing $300 billion by the year 2002.

We have a clear alternative. The House voted for a budget plan that brings the deficit down to zero. In the Senate, we now have a plan that brings the deficit down to zero. That is a big difference. That means we will be borrowing significantly less.

I know I heard my friend from Massachusetts say, we are slashing spending; we are cutting; we are eliminating spending in many programs. I will put a table in the RECORD that shows spending under the Republican budget in Medicare. In 1996, we will be spending $9 billion more than we did in 1995 in Medicare. In 1997, we will be spending $20 billion more than we did in 1995. In 1998, we will be spending $35 billion more than we did in 1995. $50 billion in 1999, $66 billion in the year 2000, $84 billion in the year 2001, over $100 billion more in Medicare spending in the year 2002 than we are spending in 1995.

Medicare spending is going up. It may not be going up as fast as it would be under present law but present law says it goes broke. The President is AWOL, or absent without leadership, because he does not do anything to save the Medicare system. He allows it to go broke. The law does not allow Medicare to borrow from other trust funds so unless we raise payroll taxes or reduce the growth of spending, it is going to go broke. That is not acceptable.

Now we have two plans, the House and Senate. The President does not have a plan. The President's plan was renounced by the Senate today 99 to nothing.

Looking at this chart of deficit estimates, the President's deficit goes up every year. This line represents the House budget plan. I compliment them. They were able to pass it in 1 or 2 days. It is going to take us 5 days, but we will eventually pass it. The Senate plan shows up on this chart as almost a straight-line decline to get to a balanced budget. We even do it faster than the House does. Of course, the House has some tax cuts. The House gets there. We get there quicker. Frankly, I hope we stay on a quick, straight, level decline to get to a balanced budget because that means we are going to borrow less in these intervening years. And that is what we should do. We should balance the budget as soon as possible.

Now, my colleague from Massachusetts said we are not going to be spending enough. He said we need to spend more money, I heard him say we should be spending more money in education; we should be spending more money on earned income tax credits; we should be spending more money for Medicare; we should be spending more money for Medicaid; I think I heard him say we should be spending more money for every single program with the exception of defense.

Looking at this new chart, you see right now we are spending $1.5 trillion, and I would like to put that in perspective because I know my colleagues on the other side seem to think we are not spending enough. To put it in perspective, in 1960, we spent less than $100 billion. In 1970, we spent less than $200 billion. In 1980, we spent less than $600 billion. In 1990, we spent about $1.25 trillion. And now we are at $1.5 trillion. Amazingly enough, even under the so-called slashing, cutting, gutting budget of Senator DOMENICI total spending will still go up to $1.8 trillion.

My math may not be accurate, but $1.8 trillion is a lot more money than $1.5 trillion. As a matter of fact, that is about $350 billion more after 7 years than this year. Actually, spending goes up every single year, in almost every category except defense which is is basically frozen.

I have a table which shows that show under the present budget does not even stay frozen at $270 billion. It actually declines for a few years and then comes back up. Domestic discretionary spending has a slight reduction. We reduce it by $30 billion. With regard to Social Security—and I know I heard my colleague from Massachusetts say several times that we are cutting Social Security—we are spending $334 billion in 1995, and we are going to be spending $480 billion in Social Security in the year 2002. Medicare spending will grow from $178 billion in 1995 to $283 billion in 2002. That is over a $100 billion increase in Medicare; Medicaid, this year we are spending $89 billion. It goes up to $125 billion. Other mandatory programs increases from $146 billion to $197 billion.

My point is, spending is escalating. It escalates from $1.5 trillion to almost $1.9 trillion. To put that in perspective, when we are talking about spending $1.5 trillion—there are 12 zeros in $1 trillion. That is about $6,000 for every man, woman, and child in the United States. I have a family of six. That is $36,000. Under the Republican budget, spending increases to about $7,500 for every man, woman, and child in the United States.

Under President Clinton's proposal, spending would grow to about $8,500 for every man, woman, and child in the United States.

So we allow spending to grow but it does not grow quite so fast.

A lot of people are talking about Medicare going broke by the year 2002. The trust fund will be bankrupt.

I hate to inform my colleagues, but by the year 1997, that is next year, the Medicare trust fund already has a deficit. In 1997, there is a $5 billion deficit and in 1998 there is a $10 billion deficit. That deficit continues to escalate to the year 2002 when it reaches $41 billion. So we are losing money already. That means more money is going out than coming in.

Some people, say, ''Well, we will just draw down the reserves of the Medicare trust fund.'' How are we drawing down the trust fund? There is no bank account. If there is a bank account anywhere in Washington, DC, that we can pull those funds out of, I would like to know about it.

The facts are, we are going to borrow that money. Actually, the General Treasury will borrow $125 billion between now and the year 2002 to pay to the Medicare trust fund, which will in turn pay benefits. There is not a bank account which holds excess Medicare taxes from previous years. Not in First National, not in Chase, and not in City Bank. We are going to borrow the money to pay Medicare benefits. The fund is already broke.

But we have heard so much rhetoric, ''Oh, we can't allow these Medicare spending cuts. This is going to cut Medicare recipients.''

The facts are, if we do not reduce the rate of growth in Medicare spending we are going to have to raise payroll taxes. And I have not heard one of my colleagues yet who said, ''Let's raise payroll taxes to save the Medicare system.'' If they think that is an option they should use, let them offer that as an amendment.

But if we do not do that, we must reduce the rate of growth of this program. Those are our only options.

As I mentioned before, the law precludes us from borrowing from other trust funds. And we should not do that anyway. That is playing a shell game. The Medicare tax right now is 2.9 percent on all payroll. That is a lot of money. The program has been growing in cost at rates that are not acceptable. These claims are not just from DON NICKLES. They come from President Clinton, and Mrs. Clinton, and Secretary Shalala, and the other trustees of the Medicare trust fund. All have said we have to reform the system.

And we can reform the system. We can do a better job of providing health care for senior citizens at lower rates of growth, at rates of growth that are right now a couple of times the rate of inflation. Right now, they are three times the rate of inflation. We are trying to say it should be no more than two times the rate of inflation.

Is that realistic? Yes, it is. Can it be done? Yes, it can. Actually, it has to be done or the fund is going to go broke. Then what are we going to do? In the year 2002, we are not going to pay the bill. We will tell people, ''I'm sorry you went to the hospital. I know you owe money. But we can't pay you.'' That is not acceptable.

I will just mention that there is a lot of rhetoric on Medicare and a lot of demagoguery. I know a lot of people are trying to scare senior citizens, but I think they are smarter than that.

This chart shows that under current policy the rate of growth in Medicare is not sustainable. Under the plan that we now have in the budget before us, the growth rate of Medicare is a little over 7 percent per year. That will keep the fund solvent at least temporarily so we will not be bouncing checks.

This line represents a freeze on Medicare and Medicaid. I have heard a lot of my colleagues say, ''Let's freeze all spending.'' That is what a freeze is. I doubt that we will long hear that argument.

I think it is vitally important, Mr. President, that we be responsible. I think it is vitally important that we say, no, we are not going to allow deficits to continue to increase, we are not going to take a deficit right now that is $177 billion and allow it to go up to $277 or $300 billion. That is not responsible. That is not leadership.

I looked at the current services budget and it just happens to track right along with President Clinton's figures. There are no changes. It is just like the President said, ''Well, I've given up.''

And I have heard other claims, ''In 1993 we made a giant step toward real deficit reduction and we did this without Republican help. So too bad for you guys. You're going to have to do this one on your own.''

There is a good reason why Republicans voted against the 1993 budget package. And I want to take issue with some of things that President Clinton and Mr. Panetta have said. They claim to have reduced the deficit by nearly $600 billion. I have heard that figure time and time again.

I am going to insert into the RECORD several tables which make my points.

One of these tables shows the source of deficit decline since President Clinton took office.

Tax and fee increases account for $262 billion of that decline. I will give the President credit for those. Yes, we know he passed the largest tax increase in history.

I might mention, it was a large tax on middle-income Social Security recipients and on low and middle-income people that buy gasoline.

As for his claims to cut spending, according to the Congressional Budget Office he has not yet cut any spending. In fact, he increased spending $4 billion in 1993, $9 billion in 1994, and $3 billion in 1995.

I might mention, the House has passed a rescissions bill, the Senate will pass a rescissions bill, in all likelihood, next week, and the President already said he would veto it. So we will have had a chance to cut 10 billion dollars' worth of spending and the President said he would veto that.

If you believe the assumptions for 1996, 1997, and 1998 he will have some spending reductions totaling $88 billion.

The remainder of the deficit reduction since 1993 is attributable to technical, economic, and other changes. In other words, $213 billion of the deficit decline is in no way attributable to this administration.

So if you add all those figures together, yes, CBO says there is a $500 and-some-billion deficit reduction from the amount they have estimated in January 1993 compared to January 1995. But the truth is there are no real spending cuts. The truth is we have not had a spending cut yet all the way through 1995. The truth is we have spending increases and big tax increases.

This administration likes tax increases a lot and they like to spend more money.

The PRESIDING OFFICER. The Senator is advised he has used 15 minutes.

Mr. NICKLES. I ask unanimous consent for an additional 5 minutes.

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

Mr. NICKLES. So the facts are, taxes under this President go up dramatically and spending continuing to rise even faster than it would have under normal pretenses. And then if you look at the President's budget for the next several years we continue piling up debt upon debt upon debt. That is not acceptable.

I am excited about the fact that now we have balanced budget plans in both the House and the Senate.

The House has their assumptions, and the Senate has theirs. There may be some changes. I know some people are thinking about making some changes on the tax side. Fine, as long as we get to zero. And I would like to get there sooner if we can. I would like to get to where we had to borrow as little as possible. But let us get there. Let us do it.

In all the other previous budget resolutions that I have seen and I have been involved in, we have talked about trading off how much we are going to reduce the rate of spending with how much we are going to raise taxes. We are not doing that in this package.

My friend from Massachusetts said we need more taxes on big corporations or we need more taxes on somebody else.

Republicans are not going to raise taxes. The problem is not that we are undertaxed. The problem is we are overspent.

So we are going to attack the problem. We are going to reduce the rate of spending. Spending under this proposal will grow at over 3 percent per year. Under business as usual, it would have grown at over 5 percent per year.

A lot of special interest groups are going to scream and say it is not fair. The Senator from Massachusetts criticized the Senate and the House for making a reduction in the CPI.

I hope we do follow the instructions of this resolution and have analysts give us a correct determination of what they think an accurate reflection of CPI is. If we are going to have cost-of-living adjustments, they should be accurate, and if there are savings to be made in that, fine, they should be accurate. When you have people like Alan Greenspan say the CPI is overinflated and has been for some time, that tells me we should make a change.

Finally, I know we are going to have a debate on earned-income tax credit next week, and I will save most of my remarks on that subject. But I heard my colleagues say that our proposal is a tax increase on the working poor. That is totally false. We ought to deal with the facts.

The earned-income tax credit is inappropriately named. Over 80 percent of the spending on this program is a direct handout to people with zero tax liability. And it is a program that is fraught with abuse. How in the world can our colleagues defend a program when the General Accounting Office says that they found 42 percent of the people receiving benefits received too much in benefits, and 32 percent of the people were not even eligible to receive benefits—32 percent. We do not have a program that I am aware of that is so open for fraud and abuse and it needs to be reformed.

Do we reduce the rate of growth of earned income tax credit? Yes, we do, and we should. We can get more than the savings we proposed if we just eliminate the waste and the abuse in the system. But the system has been enlarged and expanded to such an extent, people can receive such large annual lump sum payments that there is a great incentive for fraud. They can file fraudulent tax returns and they can get cash.

It is false to say, ''Hey, this is a tax increase on low-income people,'' when only 20 percent of the people who receive this benefit have any tax credit whatsoever; 80 percent do not have tax liability. They get a lump sum cash payment at the end of the year and that payment this year is over $3,000 if you receive the maximum amount. It will grow up to about $4,000.

We allow it to grow under this budget; we just do not allow it to grow so much, quite so fast. Every year under our proposal, the EITC will grow in total amount, but it will not continue to compound at 55 percent per year as it has done in the recent past. We cannot allow a program where we are writing checks to be growing at such unbelievable rates. The program cost a few billion dollars a few years ago and now we are looking at a $25 and $30 billion program. It still grows to $30 billion under Senator DOMENICI's plan. We reduced the rate of growth in that program. We need to reduce the rate of growth in that program. We need to clean out the waste and abuse in that program. We ought to be ashamed of ourselves if we do not, and we are going to try to do that.

For our colleagues on the other side or others to say that is a tax increase on working poor, I beg to differ. I think they are entitled to their own opinion, but they are not entitled to their own facts.

I thank the indulgence of the Chair and my colleagues. I ask unanimous consent for an additional 2 minutes.

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

Mr. NICKLES. Mr. President, I urge my colleagues to be serious when we take up this budget. It bothers me to see that it is so partisan. It bothers me to see that there are not more bipartisan efforts to get to a balanced budget. If there is a better idea—and there is bound to be a better idea because this is not a perfect plan—bring that plan forward.

When we took a vote on the balanced budget amendment a couple months ago, a lot of people said we should balance the budget whether we pass a constitutional amendment or not. We were serious, and now we are going to try to do it. It is going to take some votes from both sides to pass a reconciliation bill.

So I hope we will not get so polarized that we are not able to work together to make sure we quit piling up endless debts on our children and on our children's children. To me that is a vital question: Are we serious? Are we actually going to finally start living within our means? I remember going to a town meeting and somebody raising their hand: ''Senator NICKLES, will we ever see a balanced budget in my lifetime?'' The person was in their early twenties. I want that answer to be ''yes.'' I think this Congress has a chance to make it yes, and I hope that we will during the course of next week. I yield the floor.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Thank you, Mr. President. I was listening to the debate earlier this afternoon about the pending amendment that restores some of the tremendous cuts to Medicare that occurred in this budget. I wanted to come over to the floor to just make a few points.

I heard many of my colleagues talk about the tremendous impacts that are going to occur to senior citizens as we cut Medicare in the budget that is pending. I, like many people, have two elderly parents, both of whom have chronic health care problems, and they are very concerned about the Medicare Program and they let me know about it. But I came over today to remind all of us that the impacts on cutting Medicare do not just hit the elderly, they hit the people I also care a lot about in this Nation—working families.

What we see happening here is cuts to Medicare that will no doubt cause premiums to be raised or seniors to be shut out of care or will gut quality. The impact of that will not only be felt on our seniors, but it will be felt on everyday working families.

I know those families well. I am one of them, raising two kids and taking care of my parents at the same time. I can tell you exactly what is happening in many working families across this Nation today.

We get up, we race our kids off to school, we worry about whether or not they are getting a good education, we get to work, we try to do a good job, we race home in time to get them to a baseball game, get food on the table and, at the same time, we worry that our parents are going to call and say, ''I need to go to the doctor,'' or, ''I need to go to the hospital,'' or ''I have run out of medication.'' It is an added pressure to many working families in this Nation today.

If we cut the Medicare Program as drastically as is proposed, it will add to the pressure of those parents, those working parents, those everyday average working parents, because then they will worry that their parents will not go to the doctor because of the added cost, they will worry that they will not be taking their medication because their out-of-pocket expenses have increased, they will worry that their parents are not eating right because they are having to choose between whether or not to go to the doctor, buy a prescription, or put food on the table.

These cuts to Medicare will have a tremendous impact on everyday average working families who are just trying to make it every day raising their own kids and worrying about their parents as well. But it will also have an economic impact because, I assure you, if we just cap the costs of Medicare that we pay out, we are not going to see hospitals reduce their costs, they are going to shift that to somebody else. Guess who that is going to be? People who are going to work every day and paying their taxes and paying their insurance. Working middle-income families will see their insurance rates rise, their out-of-pocket medical care costs rise in order to pay for seniors who go to the hospitals and to the doctors and who no longer are being paid back by the Medicare Program.

This will create a tremendous pressure on families and a tremendous cost shift to families. That is why it is absolutely critical that we do not reform health care within this budget by just cutting costs to Medicare and Medicaid, but we go back to understanding that we have to do health care reform in totality, look at the entire picture, figure out how much we are going to spend on health care in this Nation and impact all ends of the age spectrum and life spectrum, or we are going to put tremendous burdens on a few people. I urge my colleagues to remember that Medicare cuts will dramatically impact working families across this Nation.

I have heard over and over that these budget cuts to Medicare are being done to save it. I have to tell you that

makes no sense to me. If we care about our seniors, if we care about our families who are going to work every day, then we also should care that we have a moral responsibility to ensure the well-being of our citizens, and frankly, this budget says just the opposite to me. It says we care about the rich, it says we care more about the Pentagon than people, but it says we do not care about those working-class families.

This budget will have a tremendous impact on working-class families. It will say to them: ''We're going to cut your Medicaid. If your child has cystic fibrosis or severe asthma and you don't have the medical insurance to take care of it, Medicaid will be cut back and you may not be able to rely on that.''

It says to parents, ''Your children may not be taken care of if they are sick,'' a pressure to working-class families.

It says to working-class families that ''Your child may not be able to get a loan to go to college.''

It says to middle-class families that ''Your education dollars will be cut,'' and it will mean eventually, as this gets passed on to the States and our local school districts, that class sizes will increase and our good teachers will go elsewhere for jobs that pay enough to keep them going.

And it says to low-income families, we are going to take away the earned-income tax credit. The one thing that they have, they go to work every day, they earn less than $28,000 a year and we are going to take away a small bit of cash they have just to help them make it by gutting the earned income tax credit. You bet this is a tax increase on those earning less than $28,000. It is absolutely a tax increase on them. I think it is unfair and wrong-headed.

Finally, let me just say, I talk to many teenagers day in and day out as a parent of two teenagers. And they fear, more than anything, that there is no hope for them in this world, that there is no opportunity out there. And this budget, I assure you, does not send a message of hope and opportunity.

I urge my colleagues to support the Lautenberg-Rockefeller amendment, to restore some of those cuts to Medicare, to give some hope back to middle-income, working families in this Nation and eventually to defeat the budget that is before us.

I yield the floor.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I appreciate the concern that everyone is showing here on the floor for Medicare and Medicaid and the desire that they have to keep these programs well and healthy and viable for the people who depend upon them.

Unfortunately, Mr. President, the desire to keep these programs healthy and well has been translated into a desire to keep them as they are. And life being what it is, if they stay as they are, they will be neither healthy nor stable for the people who depend upon them; indeed, they will ultimately disappear.

Let us talk about Medicare for just a moment and go through the history of that program. Although I am a newcomer to the Senate, I am not a newcomer, if you will, to this issue. Back in 1962, when my father was running for reelection to the Senate, I was his campaign manager, and this was an issue in his campaign. Yes, that is right, Mr. President, in 1962; it has been around that long. At the time, there was no Medicare. It was passed by the Congress after the 1962 election. There were all kinds of projections about how much it would cost and what it would do.

As we look back over this last 30-year period, we see that all of those projections were wrong, and they were wrong on the wrong side; that is, they were all too low. Medicare has been growing much more rapidly than its initial authors ever thought it would, and it has been costing the Federal Government an ever-increasing percentage of gross domestic product. There have been charts on that, and I will not repeat the charts because people have seen all of those.

However, when people talk to me about Medicare and how it must be preserved, I go back to the 1960's and my memory of that debate, and I make this point. I say Medicare is a wonderful program as it is currently structured and would work perfectly, indeed we could afford it, if people would just have the courtesy to die at the same rate they did in the 1960's when Medicare was established. And, indeed, if we went back to practice medicine the same way we did in the 1960's, they probably would.

But we practice medicine in a vastly different way now than we did in the 1960's. I have been told that 90 percent of the medicine we practice today did not exist in the 1960's. It has all been invented since that time. The treatments have changed, the equipment has changed, the facilities have changed. But the program by which it is financed has not changed. It is still built around the notions that we had when we watched that 1960's television program, ''Marcus Welby,'' a single practitioner who operated out of a single facility set in an idyllic setting, assisted by the most caring, wonderful nurse in the world, Consuela. He would sit there and somehow figure out all of your ills, and not only take care of your medical problems; he would solve your divorce, take care of the teenage child that was in trouble, and counsel you in your employment problems. Well, Dr. Welby does not exist anymore. Medicine has changed. Our way of delivering it has changed. And the old notion of having a ''Dr. Welby'' who will be reimbursed from the Federal Government for all of his skill and all of his counsel has to change, too.

I am standing here in support of the underlying budget proposal not because I hate Medicare, not because I am heartless toward those in the aging population. I am not unfamiliar with those. I guess I am aging a little myself. But within the past year, year and a half, my wife and I have buried three of our children's four grandparents. We have had the Medicare experience with my father, my father-in-law, and my mother-in-law. The forms are incomprehensible. They create a regulatory thicket that virtually no one can plow through.

I have a constituent who tells me, ''Senator, I have to take care of an aging mother. The idea that she would be able to understand any of the forms she gets from Medicare is on its face ridiculous. I am a college graduate, I am a successful business woman, and I think I know my way around, but I cannot figure out these forms, let alone my mother.'' So she said, ''I wasted a lot of time trying to figure out what they meant until I finally adopted the following strategy. I realize it is high risk, but it is low stress. Every form from Medicare I throw away, and at the end of the month I call the Salt Lake Clinic and say, 'Do I owe you any money for my mother?' I let them do the bookkeeping and do not worry about the form that says 'This is not a bill' and is covered with numbers and that says we cover this percentage and you that percentage.'' She says, ''I throw them all away, and once a month, I call the Salt Lake Clinic and I say, 'Do I owe you any money for my mother?' They say, 'Yes, according to our computers, you owe us *X* amount,' and I write out a check and do not pay any attention to the rest of it.''

I hope the Salt Lake Clinic, for her sake, is keeping good books. That is the kind of program we have under Medicare. Is that what we want to preserve exactly as it is? Or do we want to say: Wait a minute; the time has come to restructure; the time has come to reform. And we are convinced if we do restructure and reform, the time has come to have a handle on the costs that make sense.

To repeat that which has been said here on the floor so many times—and it may be wearing out now, but it needs to be repeated—we are not talking about cutting Medicare below its present rate of reimbursement; we are talking about increasing Medicare above its present rate of reimbursement on the basis of roughly 7 percent per year compounded. Anybody who has been in the business world long enough to know the power of compound interest rates knows how powerful a 7-percent per year compounded increase can be in raising the benefits for Medicare.

Right now, the per capita spending is around $4,300 per person, and at the end of the 7-year period outlined in this bill, it will be $6,300 per person, and that rate of increase is roughly the same as the rate of increase for health

costs in the private sector today. So we know that health care can survive, indeed thrive, with that rate of increase. What we need to do is say we are going to take the private rate of increase, lock it into the Federal circumstance so that it cannot grow any more rapidly and then, within those parameters, make the kinds of administrative changes necessary to make this thing work.

What is wrong with that? What is threatening about that? I assure you, as one who has had to deal with these forms and had to deal with aged parents and had to struggle with the medical challenge, and as an administrator, if you will, for my father and in-laws, I would welcome that kind of circumstance. I am not threatened by it. No one in our senior population should be threatened by it.

There is a saying that I learned in college. I wish I could quote it all. I do not have the photographic memory that the Senator from West Virginia possesses, so I will do my best. It is out of the literature that talks about King Arthur and Camelot. That should strike a chord somewhere around here. There are people that have talked about Camelot with respect to a past administration.

At the moment where Camelot is over, in the epic poem by Sir Walter Scott, there are those who mourn the loss of the Knights of the Round Table and say how terrible it is that this is gone. Then this phrase:

> The old order changeth, yielding place to new, lest one good custom should corrupt the world.

Mr. President, we are at that point in Medicare. The old order has been a good order. It has helped a lot of people. But if we try to preserve it absolutely as it was written and established and laid down over 30 years ago as we move into the next millennium, that one good custom will corrupt the world. The old order changeth, and we must change the law to go with it.

I repeat and summarize, Mr. President, I am not here in any sense to challenge the need of our senior citizens for the Federal Government to stay fully involved and fully committed to the notion that they are entitled—entitled, yes, I use the fatal word—they are entitled to support in their medical costs in their declining and retired years. I support that absolutely.

I stand here fully committed to a budget that will cause that support to increase at a rate of 7 percent per year compounded. But I say to those who want to keep the old system exactly as it is and keep pouring money down the black hole that it has become, those people are wedded to a mechanism of the 1960's while we are living in the 1990's and preparing for the new century and the new millennium.

When we do that, regardless of how pure the intent, we are doing our senior citizens no favor. We are doing them no benefit.

We must recognize that the old order and everything changeth, yielding place to new, lest one good custom should corrupt the world. With that attempt, Mr. President, to sound at least somewhat as classical as the Senator from West Virginia, recognizing that I could never truly approach him, I yield the floor.

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

Mr. PELL. Mr. President, I rise in support of the Rockefeller amendment to restore $100 billion in funding for Medicare and long-term care, to be offset by the funds which the committee bill would reserve for tax cuts.

This amendment coincides with my own philosophy on the matter of the budget. We must curtail spending and reduce the deficit, but we must do so by the most humane means. And we should not even think about tax cuts until we have achieved some kind of equilibrium between income and expenditures, and have done so without shifting the burden to those least able to bear it.

While there is no question that we must take seriously the recent report of the Medicare trustees which warns that—if we don't do something—the Medicare trust fund will go bankrupt in the year 2002, our efforts to fix the system should not be driven by our desire for deficit reduction. While reducing the deficit is a goal that we all share, it is not something that can be accomplished without affecting real people, who have real needs and real problems.

Let's look for a moment at the House Republican budget proposal. House Republicans propose to cut $286 billion from Medicare and to use the proceeds for deficit reduction and a $20,000 tax cut for the wealthiest Americans. In my view, this defies logic.

By paying these Social Security taxes, a portion of which goes to fund the Medicare trust fund for part A hospital benefits, the citizens of this country have a contract with the Government that this program, for which their hard-earned money is collected, will be used to provide them with health care when they are aged or disabled. Not to provide deficit reduction. And not to provide tax relief, especially to those who need it least.

And the Senate Republican budget proposal isn't much better. It proposes to cut $256 billion from Medicare solely for deficit reduction. This level of cut fails to recognize that—in future years—more and more people will reach the Medicare age of 65, will depend on its benefits, and will have to rely on a much smaller pot of funds to pay what are likely to be higher costs for the same care they are receiving now. So there is no comfort in the explanation that the proposed cuts are simply reductions in the rate of growth of the program.

These proposed cuts will clearly mean higher deductibles, higher out-of-pocket costs, and a greater burden on the family members of beneficiaries who cannot afford the increase. And with the proposed cuts in Medicaid which are also part of the Republican plan, any safety net for all but the very poorest Americans will be eliminated, offering no help at all to hard working, middle-income families.

Mr. President, the medical inflation rate and the changing demographics of our population are not the fault of our senior citizens. As Government leaders, it is our responsibility to anticipate our citizens' needs and to prepare for them. It is my strong view that neither the House nor the Senate Republican budget proposals do this. Rather, both proposals will cause a bad situation to become worse.

I have examined my own views and conscience on the matter of Medicare very carefully. I know that we must make changes—some of which may be very painful—in order to ensure that Medicare is there not only for today's senior citizens, but also for future generations of senior citizens. I believe that today's senior citizens understand that—and that, while they are deeply concerned about the cost of their own medical care—they truly want this fine system to be around when their children and grandchildren need it.

So I am prepared to take steps that are needed to cut costs, even if this causes some pain to current and future recipients. But I do not intend to balance the budget on the backs of senior citizens.

And I do not intend to support using Medicare trust funds, or making modifications in the Medicare Program, that do not go directly to the effort to strengthen the Medicare Program and ensure its long-term viability, unless it is part of more comprehensive health care reform that improves the overall health care system for all our citizens, including our seniors.

Mr. President, the problems plaguing Medicare today are the same problems that have plagued our health care system for some time: the rate of medical inflation, the increased use of expensive medical technology, and more hospital admissions—due in part to the aging of America. And while I recognize fully that the Nation may not be ready for the kind of comprehensive health care reform that was proposed last year, I believe that we cannot intelligently address the rising health care costs of one segment of the population—the elderly—without addressing the system as a whole and the fact that those who are not elderly today will—if they are lucky—be elderly tomorrow. So I certainly hope that we will revisit health care reform very soon and recognize that a crucial part of reform is the strengthening of the Medicare Program.

I hope that as the budget debate begins, we will be able to focus much more on what cuts the Medicare system can withstand and much less on the amount that Members believe they

should cut to provide deficit reduction or tax cuts to the favored few. I believe that if Members of Congress pursue policy over politics, we will be able to pass legislation that will start us on the road to protecting and preserving Medicare's promise for future generations, while leaving room for future programmatic reform.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, will the Chair inform the Senator from Nevada if there are time constraints at this time in the proceedings?

The PRESIDING OFFICER. At this time both sides retain time on the bill. There are 16 hours 22 minutes remaining on the Republican side; 16 hours 51 minutes on the Democratic side.

Mr. REID. So there is no time agreement on this amendment?

The PRESIDING OFFICER. This amendment will not be voted on until Monday.

Mr. REID. Thank you, Mr. President.

The PRESIDING OFFICER. Whatever time the Senator may choose to take would come out of the overall time.

Mr. REID. I understand that. I thank the Chair.

Mr. President, I think it is appropriate to once again mention that we have heard far too many cries about how bad things are. I think it is important that we talk about how good things are in this country.

We, in the fall of 1993, passed a deficit reduction plan that was the largest deficit reduction plan in the history of this country. It passed, however, sadly, Mr. President, without any help from those on the other side of the aisle. We received no help in the House from the Republican Party or from the Republicans in the Senate. And that is too bad. It should have been a bipartisan effort to do a better job of handling the yearly deficits that have accumulated.

As a result of that bill that passed, the deficit reduction package that I talked about, we have reduced the deficit by over $600 billion. To be exact, the deficit will be $616 billion less, as a result of that action, over the 5 years from the time the bill passed. It will drop in half as a percentage of national income, from 4.9 to 2.4 percent. Because of the deficit reduction plan, the 1994 deficit as a percentage of GDP, as projected, is tied among the lowest for all G–7 countries. As a result of that plan, the unemployment rate is 5.8 percent, down from over 7 percent in 1992. There now are 1.4 million fewer people unemployed than at the start of this administration, a 15-percent drop. There are, as a result of the deficit reduction plan, 6.3 million more jobs than we had previous to that plan having passed. And keep in mind, these jobs that have been created are good jobs. For example, managerial and professional jobs make up 58 percent of the new jobs created since 1994.

In addition to that, 170,000 fewer people are working for the Federal Government than at the beginning of this administration. That is significant and it is important. The deficits have been reduced, and they have not been reduced enough, but interestingly this will be the third year in a row that there has been a declining deficit; for the first time in 50 years that has taken place in this country. That is significant.

According to the CBO, this deficit reduction package resulted in little more than 1 percent of the American people paying more in taxes. A significant number paid less in taxes. Inflation? We have the lowest inflation and the lowest unemployment since the years of John Kennedy. That is significant.

Home sales for 1994 amounted to almost 4 million. This is the largest total since 1978 and the second largest total ever. Consumer confidence is up by 78 percent.

Mr. President, the reason I mention this is I think we tend to dwell on the negative. We are doing extremely well as an economy. Certainly we would all agree that what we have to do is a better job of handling our deficit, and that is what we are here to talk about today. Can we do a better job? I believe the answer is yes, we can do a better job. But I think what we are going to talk about today is a matter of priorities.

There is no dispute that we are going to be on a glidepath to the year 2002 to have a balanced budget. The question is how should we arrive at that figure? There is a significant difference between how those of us on this side of the aisle feel and those on the other side of the aisle feel as to how we should arrive at that balance. This will make a distinction between the philosophy of the two parties. It is a matter of priorities.

We now have the long-awaited budget proposal that we received from the Budget Committee. What we are here to talk about today is not the fact that not only does the budget proposal we have received lower taxes for the wealthy, but it also increases taxes for people who work every day. People who make less than $28,000 a year will pay an average of $400 a year more in the way of taxes. That is their priority.

We do not believe, on this side of the aisle, that we should have a tax decrease for the wealthy until we get our fiscal house in order. And certainly we should not increase taxes for working people in this country, the people who make under $28,000 a year, so the wealthy can get a tax decrease. That does not make a lot of sense and it does not sound fair.

I am not going to talk today about the fact that the proposal we have received from the Budget Committee devastates many educational programs. The reason I am here today is to talk about Medicare. Why are we being asked to vote for a budget resolution that takes a bigger cut out of Medicare than it does anything else? Why are we being asked to do that? That does not seem fair.

These cuts will shift $900 a year in costs to the Medicare recipient. Every Medicare recipient will receive in effect a tax increase. Every senior citizen will pay $900 more in additional health care costs. This does not seem appropriate.

What really makes it significantly bad is that many of the costs are being shifted back to the State and local governments. They are going to have to pick up these costs. Throughout the debate that has surrounded these cuts, my colleagues on the other side of the aisle have consistently cited their concern about the Medicare trust fund and their commitment to solve the Medicare crisis. No one within the sound of my voice should be fooled that suddenly we have a Medicare crisis. We have had a Medicare crisis because Medicare is only part of the overall health care crisis that we spent days and weeks on last year.

When we started the debate on this floor saying there was a health care crisis, over 80 percent of the American public agreed there was a health care crisis. When we finished the debate, no one agreed there was a health care crisis. Why? Because the health insurance industry set out to try to confuse and frighten the American public. And they did a masterful job. It cost them about $200 million for their Harry and Louise ads and the other things they did to frighten and confuse the American public, but they were the champions. They were the only winner in the health care debate. There were lots of losers. They were the winner, and you have to hand it to them, they did a good job. Because, when we finished the debate nobody favored health care reform. Even seniors were frightened and confused, even though they would have done extremely well because they would have gotten a prescription drug benefit and a lot of other health care reforms which would have benefited them significantly.

The crisis has no more urgency this year than it did last year. The only reason it has more urgency this year is because all the cuts are taken from Medicare to finance a tax cut.

The rhetoric for Medicare reform is nothing but a smokescreen for the tax cuts for the wealthiest of Americans. In fact, despite earlier claims to the contrary, the budget resolution being debated in this body on this day does call for tax cuts. It is disguised. They are saying we are going to have these savings, and, therefore, the savings will be given to the Finance Committee. And what can the Finance Committee do according to the budget resolution? They can do one thing, and that is to give tax cuts. So we should not be fooled. The Senate resolution calls for tax cuts, and the House resolution calls for tax cuts of just a little bit more than the Senate version.

Let us be clear. What has been proposed in this budget resolution is taking more than $900 a year from every senior citizen in America on Medicare to pay for the $20,000 annual tax cut for Americans making over $350,000 a year. In fact, over half the tax cuts proposed will go to Americans with incomes well over $100,000. When the facts are filtered from this rhetoric, it is not the Medicare trust fund they are concerned about at all. If it were, the recommendations of the Finance Committee would be any savings we get should be to restore the cuts that have been made in this resolution to Medicare. It would be to divert the savings achieved from a balanced budget back to the Medicare program ensuring health coverage for our Nation's seniors.

Those on the other side of the aisle continue to mask their tax cut as Medicare reform. But there is no reform in this resolution. The Republican approach to reform contained in this resolution is the appointment of yet another government commission to study the issue. The American public, and certainly we in this body, should understand when we call for a commission, when we call for a study, it is a way to camouflage the inability to make a decision. What we need now is the courage to implement change; that is, to go back and do some good, reasonable health care reform, reforms that will not decrease benefits or increase costs. But certainly we do not need the kind of slash and burn approach taken in this resolution.

I received, as we all do, letters regarding the Medicare proposal within this budget resolution. A letter that I have is quite clear and quite direct. It says:

DEAR SENATOR: * * * We see and hear all around us stories of the wasteful spending by Government in this country—the Commissions that are obsolete, the entire Departments that are without a mandate (DOE comes to mind—how long has it been since there was a need to supply power to rural areas?) the graft that must be present if we are actually paying $10.00 for an item that can be bought in any hardware store for 80 cents, and the $350 vacuum cleaners that we pay $1350 for.

Much of the above are things that the average citizen sees no need for at all, let alone at such inflated prices. Medicare is one thing that we get back from our years and years of paying taxes that we can see and understand. Granted there may be excesses. But why is this program singled out for dismemberment when programs that benefit other countries, or sadly, nobody but those on the Government payroll, are kept well beyond their usefulness?

If you want to cut the cost of Medicare, you must phase it out over time. You must not yank the rug out from under those of us who earned our money in days when we earned less than half what people in our former positions earn today. Yet the inflation that brought their salaries up and affects the prices we all pay applies to us equally with them. It could mean the difference between living with dignity and living in abject poverty for those with medical problems.

Mr. President, I have another letter here which is dated April 12, addressed to me.

DEAR SENATOR REID: I know you fought to save Social Security, but not a word about Medicare.

This is interesting because it is written from someone from Nevada.

The Washington Post had an article February 28, 1995 citing that huge Medicare cutback foreseen by Packwood.

I am not a rich Senior Citizen nor do I get enough for my money. I am not in the poor variety but a few dollars above. This is why we cannot reduce the balanced budget on the backs of the poor and the elderly. I want to be able to choose my own doctors for in my case I have trigeminal neuralgia which is uncurable. I need to find the best specialists around to help me. I don't want to be forced to go into any HMO's.

As far as voting I go for the person and not the Party.

I feel this way. If an encumbant or any candidate running for office does not care about me than I do not care about their future. I will not vote for him/her.

Remember the debate we had last year. We have to maintain choice. What we were going to do in health care reform, as you will recall, was have health cooperatives, which was the original idea where we would have a number of people go out and bid to get the best and cheapest coverage. We were criticized for that. But now that is being recommended.

Managed care is the word of the day, which is certainly a lot worse than anything we ever suggested because what we suggested was there was no middleman that would eat up all the money. Who are the highest paid executives in America today? Among the highest paid executives in America today are the people who run these health maintenance organizations, who run these managed care operations. They do not know how to spend all of their money.

I go on with the letter:

As far as voting, I go for the person and not the party. I feel this way. If an incumbent or any candidate running for office does not care about me, then I do not care about their future.

Mr. President, in my office, like in your office, I receive phone calls when issues come up, whether it is on the gun control issue, abortion issue, or in this instance, cutting Medicare. We have received hundreds and hundreds of telephone calls in my Reno office, my Carson City office, the Las Vegas office, and the Washington office.

Here is a call we received from Dottie, living in Las Vegas, in an apartment.

Opposed to Medicare cuts. If it were not for Medicare, you would not be talking to me today; three strokes and a car accident.

A note from Harry Decker:

Don't cut Medicare irresponsibly. This will hurt people.

I can tell Harry Decker that, if this budget resolution passes, he will have his worst dream fulfilled because that is what is done in this budget resolution. We are cutting Medicare irresponsibly.

A call from Michael:

Oppose cuts to Medicare. I am going to have to go on welfare. Making it very tough on seniors.

Another message from Robert:

Don't cut Medicare until there is a plan in place. Do it correctly and less painfully.

I do not think he is being unreasonable. We do not have a plan in place.

Frank:

Please don't cut our Medicare. The money just does not cover now what is needed.

These are just a few at random telephone calls and letters that I have received. If we all sorted through our mail, we would all find the same type of responses from the public.

Why, I repeat, is it fair to give tax cuts to the wealthy, tax increases to the workers making $28,000 a year, cuts in education, and then make the biggest cut of all, Medicare. This does not sound fair.

Mr. President, these letters that I shared with the Senate and the telephone calls are not just a few here and a few there. As we are speaking, my office is receiving lots of telephone calls. My staff is going through the mail. If these cuts are implemented, there are approximately 200,000 Medicare enrollees in Nevada who will pay an average of $1,080 more in the year 2002 alone and $3,620 more over these next 7 years.

It is interesting also that the burden will be the greatest for the one in four seniors; that is, the 25 percent of seniors who rely solely on Social Security, who do not get a penny from anyone else. This will hurt them more than anyone else. These recipients will be forced to use much more of their Social Security check to cover these out-of-pocket costs for health care.

This budget proposal is not only about seniors. It is also about American families because, if there is an impact on a senior, most of the time it affects that person's family. These drastic cuts in Medicare not only threaten the pocketbooks of seniors, but also those of their families.

Why do we have Medicare? Why do we have Social Security generally? We have it, Mr. President, to give independence to the seniors, to make people feel like they are somebody.

I related during the debate we had on the balanced budget amendment the story of my grandmother, Harriet Reid, born in England, citizen of the United States. I can remember as a little boy going to the post office and picking up my grandmother's old age pension check. I did not know it had a fancy name at the time, her Social Security check. That check gave my old grandmother independence. She had children, but she did not have to depend on her children for everything because she had her old age pension.

What we are doing with these cuts in Medicare is taking away the independence of people, of people like my grandmother. My grandmother, were she alive today, if this budget resolution passes, would become more dependent

on her family, if in fact she was fortunate enough to have a family.

We can cart out all the charts and graphs showing how bad things are, but I ask everyone to go back again and realize how good things are in this economy today. For the third year in a row, we have had a deficit decline—170,000 fewer Federal employees, lowest inflation, lowest unemployment since the days of Kennedy, economic growth significantly high. We are doing very well.

And no one on this side of the aisle is saying we should not have a balanced budget. We believe that we should. And we are going to have an opportunity on a vote on a fair budget resolution. What we are saying is do not take the money out of the pockets of senior citizens, people who are going from hand to mouth with their Social Security checks.

We are saying it should not be tax cuts now. We want to give tax cuts just like everyone else would, but we want to do it when we can afford to give tax cuts. We want to get our budget deficit that comes every year under control. It is not fair, I say also, to raise taxes for people who work every day for a living making less than $28,000 a year. Why would we want to increase taxes for them in the same budget resolution and lower taxes for people making hundreds of thousands of dollars a year?

The burden will not only be felt by seniors directly, but it will be felt very significantly, strongly in rural America.

Nevada is the most urban State in the Union, I have been told, Mr. President; 90 percent of the people approximately live in the Reno and Las Vegas areas. In the huge State of Nevada, with 175 million acres, only about 10 percent of the people live outside of the metropolitan areas, but they are going to be hurt real bad. That 10 percent of the people of the State of Nevada also need health care.

We have a study by Lewin-VHI, a consulting firm. It recently unveiled an analysis of the impact these Medicare cuts that are in this Senate Budget Committee resolution would have on hospitals and beneficiaries. The study found that ''by the year 2002, Medicare could pay hospitals only 89 cents on the dollar for the operating costs of delivering inpatient care to a Medicare patient.'' Today hospitals almost do not break even, but this would be even more drastic than that.

The study also found that every type of hospital would suffer under those reductions and that the average hospital in the year 2002 would lose almost $900 per Medicare patient. But I am particularly concerned about rural hospitals. We are having fewer and fewer rural hospitals in Nevada all the time. They cannot stay in business because, interestingly enough, Medicare pays them less than it does an urban hospital for the same procedure, and we need these hospitals in rural Nevada. We have areas in Nevada that are separated by hundreds of miles, and we need these little hospitals. They are very important.

Nearly 10 million Medicare beneficiaries, that is, 25 percent of the total, live where? They live in rural America. They live in rural Nevada where there is often only a single hospital in their county, if in fact you are lucky. We do not have a hospital in every one of our counties.

Significant cuts as in this budget resolution in Medicare revenues will most likely force many of these hospitals, which are already in financial distress, to close or turn where? Turn to local taxpayers for more money. And where will local taxpayers be asked to contribute? From property taxes, from other types of taxes that local governments will have to come up with if they want to have rural hospitals. This is a way to make State and local governments pay more if they want to have hospitals because we are bailing out; the Federal Government is saying we want no more. That is what this resolution says.

Mr. DORGAN. Mr. President, I wonder if the Senator from Nevada will yield to me for a moment for a question.

Mr. REID. I will be happy to yield for a question.

Mr. DORGAN. I will not take much time. I know others are waiting. I will come and speak on Monday morning on this subject, but I was interested to hear the Senator from Nevada speak on rural hospitals.

I listened to some of the debate earlier today and it is framed by some in this Chamber as a debate between those who want a balanced budget and those who do not.

That is not the debate we are having at all. The question is not whether. The question is how. We think we ought to balance the budget. We think we ought to balance the budget by 2002. The question is what route do you take to get there.

The Senator from Nevada is talking about rural hospitals. If someone says the route we ought to take to get there is to have a very substantial cut in Medicare and give a big tax cut to folks that have a lot of income, a $20,000 tax cut to those whose incomes are $300,000 a year; if someone says we can afford to do that but we cannot afford to provide Medicare sufficient to keep rural hospitals open, we on this side of the aisle disagree with the how. We believe in this country that it is important to keep rural hospitals open. We believe you can do that and we believe you can still balance the budget.

The point the Senator is making I assume is pretty much the same point that we have in my State. In North Dakota, many rural hospitals find that up to 80 percent of the people who walk through the front door are Medicare patients.

Mr. REID. Absolutely right. Same in Nevada.

Mr. DORGAN. A very high percentage of the people are on Medicare. If you just precipitously decide to lop off the money on the health care side, even as you are giving tax cuts to the very affluent and doing a lot of other things we do not need to do and taking it out of the hide of those to whom it means the most, what you end up with is closure of rural hospitals.

In North Dakota, I estimate at least a dozen rural hospitals will close rather quickly if we see these kinds of cuts in Medicare without some kind of a plan to reduce the price of health care in a thoughtful way that still allows us to keep a structure out there so we can keep rural hospitals up and open and operating.

That is the issue. The issue is how do we get to a balanced budget, not whether. And some in this Chamber want to stop their vehicles at different intersections. They want to stop and give a little tax break to those affluent people in the house on the hill, and then they want to stop at this little house down below and take Medicare funds away from the person who does not have much income, and they want to stop at the next house on that street and take a few dollars away from those who want to send their kids to college.

We just have a different system for the delivery truck to get to the destination. We would like to ask everybody to pay their fair share.

The point we are making about rural hospitals is a very important point. It applies not just to Nevada but it applies to every State in this country that is a rural State.

I appreciate the Senator yielding to me.

Mr. REID. I say to my friend from North Dakota, he is absolutely right. He very, very precisely laid out the program.

You can present all the charts on the budget, saying if we do not do something, we are going to be in big trouble, all these charts showing what has gone on in the past.

I have done a couple things, I say to my friend from North Dakota, here today. I pointed out, No. 1, the economy is doing great. But having said that, I recognize, as we all do on this side of the aisle, that to continue the economic growth and viability of this country we have to have a glidepath to a balanced budget. We all want a balanced budget. I do not know of anyone over here on this side of the aisle who does not want a balanced budget. We all want one. I say to my friend he is absolutely right. It is a matter of priorities.

And I would say, one of the things that I have talked about here also, we have talked about the tax cuts for the wealthy, the tax increases to people making less than $28,000 a year, but also disguised in all of this is a heavy burden on State and local governments because we have to keep those rural hospitals open. And the Federal Government, because it will not live up to its responsibility to the senior citizens

of this country, will pass that burden to State and local governments. They are going to have to try to keep those hospitals open and they can only do it through taxation of people that live in those States.

So it is a disguised way of increasing taxes.

Mr. DORGAN. Will the Senator yield for 1 moment?

Mr. REID. I am happy to yield.

Mr. DORGAN. This is about priorities.

We have people who say, ''Let's rebuild star wars.'' And we have people in the Contract With America saying, ''Let's now start on a brand new, gold-plated weapons system called Star Wars. Let's build it now. Let's take money out of Medicare. Let's decide to freeze Head Start.''

This is about priorities. Frankly, some of us do not agree with the priorities that have been brought to the floor.

It is not a disagreement about whether we have a balanced budget. It is a disagreement about priorities.

I think the Senator from Nevada is laying that out and I appreciate him yielding.

Mr. REID. Again, I thank my friend from North Dakota, who has done such an outstanding job during this entire debate on the balanced budget. There is never an example in this Chamber that I have seen more effectively used than the fact that this Senator from North Dakota, who had years of experience in the House of Representatives on the Ways and Means Committee—I congratulate and applaud him for using that experience to come here and help explain and make more apparent some of the things we are doing on budget matters here in the Senate.

Mr. President, again talking about rural hospitals and rural health care delivery, closing hospitals will ultimately result in the loss of jobs and loss of physicians and, of course, hospitals in these communities.

This is very troublesome for the health care of rural Nevadans because, even though we do not have a lot of people who live in rural Nevada, those people who live there, few in number, are as important to me as the people who live in the big cities.

I am from rural Nevada, born and raised in rural Nevada. Unfortunately, it appears that those who are in the majority here are not as concerned about rural Americans as the rest of us.

In Nevada, a health profession shortage is already there today. It is a fact of life. Thirteen of Nevada's seventeen counties are identified as health profession shortage areas; 11 counties are classified as frontier, meaning there are 6 persons or fewer per square mile and more than 45 miles between medical service sites. The distance between major towns averages 100 miles, with distances of 180 to 200 miles in more isolated areas.

So, Mr. President, as you can see, drastic Medicare cuts resulting in the closure of rural hospitals would be devastating to the delivery of health care in rural Nevada and rural America.

What it all boils down to, I repeat, as my friend from North Dakota stated, is a matter of priorities. We all believe there should be a balanced budget and it should be by the year 2002. But what we are saying is that we do not believe the budget should be balanced on the backs of those people in their golden years; that is, the senior citizens of this country.

It is interesting to note that the amount of money that is going to be cut from Medicare is almost the same amount of money that is going to be given in tax cuts. That is unfair.

I think it is important to repeat again, Mr. President, the fact that we also believe in a balanced budget. We are going to have a plan that we will offer that will not devastate Medicare and will allow education to receive its fair share, and we will not give tax increases to people making less than $28,000 a year, nor will we give tax decreases to the wealthy.

This amendment which is now before this body which calls for a realignment is something that should pass. We believe that $100 billion of money that is being taken from Medicare should be replaced with the money that is going to be generated in this package that is marked by the Budget Committee to go to the Finance Committee for tax cuts for the wealthy. In effect, $100 billion in tax cuts for the wealthy should be returned to Medicare.

Mr. BROWN addressed the Chair.

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

Mr. BROWN. Mr. President, I yield myself such time as I may consume from the Republican side.

I ask unanimous consent, since we have had two Democrat speeches in a row, that we might have two Republican speeches in a row.

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

The Senator from Colorado is recognized.

Mr. BROWN. Thank you, Mr. President.

I know Americans listening in and those here must sometimes find Congress a puzzling place. There is no question that at times rhetoric is inspirational and at times it is less than that. But let me just say, anyone who has listened to this discussion very long will find all kinds, and I think at times will find it quite puzzling.

Sometimes they will hear cuts in spending described as increases, and increases in spending described as cuts. What is a person to think? Sometimes we will find people who avoided the draft giving glowing speeches about what vehement hawks they are in military affairs, and I guess vice versa. Sometimes those who consistently vote for higher deficits make the most eloquent speeches about balancing the budget. Indeed, this is a confusing place.

But, Mr. President, few things have equaled the millionaire lectures in this debate on class warfare. Let me be very specific. Throughout the last day, we have listened to those who went to private schools when they grew up lecture those of us who went to public schools about what it is like to be poor. Mr. President, they do not know what they are talking about.

Mr. President, we have listened to people who, when vacation time came in school, took their trips to the bay in Massachusetts or went to Florida for vacations, lecture those of us who worked when vacation time came.

Mr. President, we have listened to those who went to Ivy League schools, of which they are duly proud, lecture those of us who went to public schools.

We have listened to those who are millionaires and had their daddy buy everything they wanted at college lecture those of us who worked 30 and 40 hours a week to get through college. And when they lecture us, they tell us what it is like to be poor. They do not know what they are talking about.

Mr. President, I have listened to people on this floor who, when they got out of college, did not take advantage of the opportunity to serve our country in the Armed Forces, but had daddy pay for their trip around the world or a vacation or maybe they got a Government job, or perhaps they even started in business. But the chances are they started at the top, not the bottom. Those same people have turned to us who have served our country in the military when we got out of school, or began work and started at the bottom, and they have lectured us about what it is like to be poor and what it is like to be rich. These marvelous, inspiring speeches about class warfare have seen trust-fund liberal millionaires come to this floor and lecture people who are from working-class, conservative backgrounds about the class warfare that is in this budget.

Men and women, Democrats and Republicans, will understand that people of good conscience disagree over this budget and disagree over the implications of it. But I suspect most Americans will find themselves choke over the irony of trust-fund millionaires coming to this floor and talking about class welfare and lecturing those of us who worked our way through life.

Mr. President, this debate ought to be about facts. It ought to be about the truth. And let us cover it, because I think some frank words are appropriate.

The trust-fund millionaires have come to this floor and said this budget slashes Medicare. Mr. President, I do not care how rich your background is, I do not care what your father did, you ought to at least have the decency to come to this floor and be honest.

Now, what are the facts? The Medicare funds go up, not down. Let me repeat that. Under this budget, Medicare goes up $105 billion. Now, I do not care if you are a multimillionaire, $105 billion is an increase, not a cut. And no

one in this country, no matter how rich they are or how liberal they are or how much they inherited, is entitled to come to this floor and misrepresent the facts. Medicare spending goes up every year. It goes up $105 billion, and that is not a cut. That is an increase. Medicare spending goes up 7.1 percent a year every year on the average.

Medicare spending per capita goes up from $4,950 to $6,400. Regardless of where you learned your math, that is an increase, not a cut.

To come to this floor and say we cut Medicare and imply that is class warfare is simply inaccurate. Tragically, Mr. President, I fear some of those who have done that know better.

One of the great ironies is these trust fund liberals have come to the floor with another story. They have said this budget involves tax cuts for the rich. One said it is tax cuts for the wealthy. One said it is a redistribution to help the wealthy. You are entitled to your view on whether you like this budget or not and you are entitled to dislike the idea you are going to go to a balanced budget—it is a change for America—but, Mr. President, to say this budget involves a tax cut for the rich is simply not true, is simply a reflection that they have not read it. You can be a Democrat or Republican or liberal or conservative, but you cannot come to this floor and say it with a straight face because it is a lie, it is not true.

Here are the facts: There is no tax cut in the Senate budget that came out of committee. There is a provision that says if we balance the budget, if we pass the reconciliation, and if there is a recalculation by CBO of the economies of this, that there could be a tax cut only with the money that comes from refiguring the numbers.

But, Mr. President, what it also says specifically—and it is a Democratic amendment that I cosponsor—it deals with any tax cut that could come about that way; that is, through a recalculation of the numbers. That amendment specifically addresses how any tax cut would be dealt with. That amendment specifically states it is the intent of the Senate and eventually the intent of Congress that 90 percent of any tax cut would go to working people who have incomes under $100,000.

You can say, ''I don't agree with that policy,'' or you can say, ''I agree with it,'' but to come and say that this budget is all about a tax cut for the rich is simply not accurate, it is not true. All you have to do is bother to read the budget.

Mr. President, I have heard others come here and say it penalizes the poor. That is interesting. That is interesting. This budget increases 3 percent a year, and the programs that go up the fastest are the ones that are aimed at the poor. The ones that are cut most dramatically fall in the category, in many areas, of corporate welfare.

To say this budget's net effect is to penalize the poor is simply not accurate. You can disagree with what the budget does, and it does many things, but to inaccurately describe it and misrepresent it, I think, detracts from the quality of the debate this Chamber ought to have.

I have heard people come to the floor and say, ''This budget takes away the earned income tax credit.'' Others have said it savages it. Mr. President, this budget will leave the earned income tax credit higher when it finishes than when it starts.

Does it change current law? Of course, it changes current law. It does not allow the earned income tax credit to increase as much. You can disagree with that. You can say it ought to increase more. Honest men and women can disagree about that subject, but to say it wipes out the earned income tax credit is simply not accurate.

This budget recognizes the fact that the earned income tax credit had a problem. There were indications of fraud and abuse in excess of 30 percent of the claims. This budget suggests that you ought to take a look at that fraud and eliminate it, that you ought to correct the fraud.

I can understand how someone could say, even though an objective congressional body said there was fraud in it, ''We do not agree.'' They are entitled to say that. I do not believe that is accurate, but I can understand they disagree with it. But they have not said that. They say this wipes out the earned income tax credit.

I can see how someone can come to the floor and say, ''Look, even though it had fraud in it, I think it is still worthwhile and you ought to increase it the way it originally was done.'' I do not agree with that, but I think it would be an accurate statement. But to come and say this wipes out the earned income tax credit is not true.

I think what offends me most is those who have had the most in their life, who have been given millions and inherited millions come to the floor and lecture us on class warfare.

Mr. President, there are a couple things that I think are specific there that the American people ought to be aware of. For you as a Senator or any Member of this body to vote for endless and increasing deficits for our country, I honestly do not believe is a benefit to the poor of this Nation. That is what the President's budget is. It is an increase in deficits that continue on and increase. If there is someone who honestly believes that is a benefit to the poor, they have a different view of the world than I do. All you have to do is look at the burden of paying the interest on what we owe.

Some people have come to the floor, some of the millionaires have come to the floor and talked about how this involves tax increases on working people. Mr. President, those are exactly the same ones, or at least some of them are exactly the same ones that in prior Congresses have voted a tax increase on Social Security on working people, or people who had worked for those benefits. They are exactly the same ones who came, or at least there are as many of them that are the same, that voted for the tax increase on fuel who now come and decry tax increases on working people.

Mr. President, the fact is this: This country has the lowest net savings rate of any major industrialized country in the world. Young men and women who want an opportunity in this country depend on savings to give new investment and new jobs. One of the reasons that we have productivity increasing at a slower rate in this country is because as Americans we have not reinvested in our future and in our Nation.

I hope the level of debate will deal with the facts in this case, and I hope the level of the debate will be accurate because there are disagreements here and they are honest ones. But for trust fund liberal Democrats and trust fund liberal millionaires to come to this floor and lecture those of us who work for a living about class warfare I do not think contributes to the quality of debate.

For Members to come to this floor and misrepresent the facts of what this budget does I do not think contributes to this debate. Mr. President, I think what is more important is the working men and women of this country have an ability to see through the quality of rhetoric that has appeared on this floor about the budget. Most working men and women in this country understand that bankrupting this Nation is not to their benefit. Most men and women who work for a living in this country want a future for their children and they are willing not only to work for it but to sacrifice for it and to commit for it.

And most working men and women in this Nation understand, above all else, that there is not any gift of free things in this world; that ultimately what we have is what we work for, and that a politician who wants their vote by giving them handouts is not their friend nor their savior, and that someone who offers them a hand up, not a handout, perhaps offers them the greatest gift of all.

I yield the floor, Mr. President.

The PRESIDING OFFICER. Does the Senator from Colorado seek to yield time?

Mr. BROWN. Mr. President, I yield to the Senator from Maine such time as she requires.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I thank the Senator for yielding and concur with the remarks that have been made by the Senator from Colorado in terms of being able to deal with the facts, because I think that this issue is far too important to ignore the realities of the problem that are facing this country for now and future generations, but also the facts with respect to the plan that is before this Senate.

First of all, as a member of the Senate Budget Committee, I certainly

want to commend Senator DOMENICI as chair of the Senate Budget Committee for doing a magnificent job and providing the leadership necessary to bring forth a balanced budget plan.

What has been interesting about this debate so far as a member of the Senate Budget Committee and formerly as a Member of the House of Representatives in the last Congress—I also served on the House Budget Committee—at that time we were in the minority and we were challenged by the President and administration officials as a minority to bring forward our specific recommendations for budget cuts. The President put forward a plan and challenged Republicans to bring forward a plan. We did and it was rejected by the Democrats and it was rejected by the administration. But nevertheless, we put forward $433 billion worth of specific deficit reduction recommendations.

Now, here today, we are in the majority and we feel that we have a responsibility, as we promised the American people, to provide a balanced budget by the year 2002. Indeed, the first month of this Congress, we debated a constitutional amendment to balance the budget. We heard, time and time again, from many Members of the minority, who said, ''I support a balanced budget. I think we should balance the budget. I think we should have a balanced budget by the year 2002, but I do not think a constitutional amendment is necessary.'' In fact, we passed an amendment instructing the Budget Committee, with a vote of 87 to 10, to come forward with a balanced budget plan.

What has happened in the interim is that we have had no alternatives from the minority as to how to balance the budget. What we have heard today here, and in previous debates, is attacking and criticizing the specifics of our plan. I do not doubt that we can find fault with a plan that attempts to balance the budget over the next 7 years, given the fact that it has been 26 years since this Nation has experienced a balanced budget. But the fact is that there has been no constructive contribution as to how we balance the budget.

I have two charts here, because I think it is important to illustrate the point. To my right, we have the balanced budget proposal before the Senate. You can see over 7 years, we find that in the year 2002 we put the budget back into the black. It is not perfect. There are a lot of things I do not like in it either. But we have to get to a bottom line, which is to balance the budget by the year 2002. It is in the interest of this country, in the interest of future generations to do just that.

Now the other chart I have is pretty much of a blank. It is the Democrat plan to balance the budget. There is nothing. We are not debating alternatives or competitive plans. We had a vote earlier today on the President's plan. The vote was 99 to zero against.

So the point is that the only plan before this Senate is a credible CBO-scored plan that says we can balance the budget by the year 2002. We have no other plans. We heard in the Senate Budget Committee, well, it is not really a balanced budget because we have not addressed the surplus of the Social Security trust fund. Again, I agree, that would be another approximately $700 billion that we would have to address beyond the $1.2 trillion. But I also would suggest that this plan gets us off the trust fund eventually and is the only plan to do so.

Now, if other Members have suggestions as to how we can take the trust fund off now with finding an additional $700 billion in cuts over and above the $1.2 trillion we have to find to balance the budget by 2002, we would welcome those recommendations. But you hear time and time again about attacking specifics of this plan and what we have done. But they do not talk about the positive benefits, which I will get into in a moment. They do not have an alternative. You do not hear about competing balanced budget plans here. We do not hear about constructive recommendations as to how we can do it differently.

All we are hearing is criticism and bickering about what is wrong with the plan. I think that those who support the principle of a balanced budget, and support it in reality, have an obligation to come forward with a specific plan and alternative if they cannot support this plan. They owe it to the American people. We can cite, as we did in committee time and time again, the fact that many Members made statements in the last few months saying how much they supported a balanced budget and they wanted to work together. But when we faced that reality in committee, we did not have any ideas forthcoming. They talked about spending a dividend that might or might not materialize at the end of 7 years, and the Congressional Budget Office has said if in fact we put in place a plan over 7 years that balances the budget, we can realize a dividend of $170 billion. But that will happen over 7 years, assuming that all we put in place happens. So what we faced in the committee were numerous amendments on how to spend the dividend. There were more than $500 billion worth of recommended increases in spending. But we did not get the corresponding reductions. We did not get recommendations as to how we could cut this budget and balance it by the year 2002.

So I think that people as they are watching these debates are going to understand the difference between those who are trying to do something for the future of this country and those who are not doing anything.

The President's budget, as I mentioned earlier today, did not address the issue of deficit reduction. In fact, the President's budget that was enacted in the last Congress, which represented the largest tax increase in the history of this country, only provided $88 billion worth of spending cuts over 5 years of a collective budget—over 5 years of perhaps $6 trillion. The budget that the President put forward this year actually only reduced Federal spending by $32 billion over 5 years which, again, represents over 5 years of collective budget of $6 to $7 trillion. And he only recommended $32 billion in that period of time.

One of the previous speakers said we have had 3 consecutive years of declining deficits. Yes, that was the good news. But the bad news is that the deficit is going back up. That is the whole point. That is the major problem facing this country, because the President's budget and plan from the past, as well as the one he recommended to Congress this year, add another $2 trillion worth of debt by the year 2002—another $2 trillion.

In fact, the deficit will be $100 billion larger in the year 2000 than what the President had predicted in the budget that he submitted to Congress this year. It will be $100 billion larger. That is not even taking into account, according to the Congressional Budget Office, high inflationary periods or a recession. That is assuming that everything goes well economically between now and the year 2000. So, in fact, that could be even a higher number, a higher number than the $100 billion more than the President had projected for the year 2000. So those are some of the facts that we are attempting to deal with.

I feel if people have constructive criticism, then they have to recommend ways in which to balance this budget differently. But that is the bottom line. If you believe the magnitude of the debt is going to seriously impair this country's ability to prosper and provide the kind of standard of living that the American people deserve, then you have to support this plan, because this is the only plan that is before the Senate.

I know some of the previous speakers also mentioned tax cuts, which is something that was in the House plan. Well, this is the Senate plan. We do not have tax cuts in this plan. We hear about tax cuts and other things that have no relationship to the plan that is before the Senate. And it is very, very important, I think, to make that distinction.

This plan before us today will balance the budget for the first time in 26 years in American history. The last time we had a balanced budget in this country is when America put a man on the Moon.

Our deficit and our debt have grown 1,250 percent since we last balanced the budget back in 1969. That is what we are talking about. There is no other way in which to face this problem other than to make some of the tough choices now. I think everybody agrees

we have to make some of these difficult choices, provided it is fair and is responsible.

First of all, I should say that our plan saves Medicare. We have heard an awful lot about Medicare today. It is a very, very important program. So important that I would think that everyone would be concerned about the trustees' report which indicates without question that the hospital insurance trust fund will be insolvent by the year 2002.

It is the Medicare trustees—they are not Republicans—and it was not the Budget Committee who have predicted the insolvency or the bankruptcy of the Medicare Program in 2002.

Understand one thing: If we do nothing, if we do nothing about the Medicare problem, there will be no Medicare benefits for any of the 36 million Americans it serves after the year 2002. None. It will not exist. By law, the Government is prevented from providing any benefits if there are no assets in the insurance trust fund.

I would like to quote the Medicare trustees themselves, who stated the following:

> With the magnitude of the projected actuarial and hospital insurance program, the trustees urge Congress to take additional action designed to control the hospital insurance program costs. The trustees believe that prompt, effective and decisive action is necessary.

That is exactly what we do in our document.

Amazingly, the minority has no proposals, no ideas, to remedy the Medicare crisis. This, despite the fact that three of the Medicare trustees are actual Cabinet Secretaries, and they still refuse to admit there is a crisis. They say it has been mentioned before.

Well, we have 7 years in which to address the problem. As several of the trustees testified before the Senate Budget Committee recently, they said we have to take some action because it is going to take some time to have an impact on the revenues of the trust fund.

We cannot wait until the year 2002. We cannot wait until the year 2000. We cannot even wait until 1997. It has to be done now, in order to have a positive impact.

I, personally, think that the 36 million Americans who depend on this program—and more in the future because we will have more people retiring—is that they should have a sustainable health care program.

Now, we have one of two choices. We either attempt to address it this year or we ignore it. I, frankly, think we have a responsibility to address this problem.

So this is not a manufactured number. It is not a manufactured crisis. This is from a report that was done by the trustees of the Medicare system. This just came out. Three of the President's Cabinet Secretaries are on this board. They have said that there is a problem. I think that we do have an obligation.

Now, I think the President recognized that there has been a problem because in the past he has been quoted on several occasions, and I have these quotes on the charts because I think it is important to remind everyone that the President spoke about these issues as well when it came to Medicare and the growth and the problems we have in the future.

He said at one meeting, back in April 1994, ''Then we'll be able to lower the rate of inflation—keep in mind, we do not propose to cut Medicare and Medicaid, Ma'am,'' in answer to a question at a town meeting. ''Medicare and Medicaid under our proposal would go up at twice the rate of inflation, instead of three times the rate of inflation.''

Then, back in October 1993, in speaking to the AARP, a very important organization that represents senior citizens in this country, he said, ''Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation.'' Now, that is less than what we have in our budget. We have much more. ''That is not a Medicare or Medicaid cut. Only in Washington do people believe that no one can get by on twice the rate of inflation, so when you hear all this business about cuts, let me caution you that is not what is going on. We are going to have increases in Medicare and Medicaid.''

I think we owe it to the seniors of this country to begin to address this problem. In this proposal, we are recommending that we establish a bipartisan commission to recommend ways in which to address the insolvency of the program that will occur in the year 2002, according to the trustees, when they issue their report.

Now we heard many say it has to be done within the context of comprehensive health care reform. I think we ought to have health care reform. I think it is an imperative. Hopefully, we will be able to address that, as well, in this Congress.

We asked the trustees when they appeared before the committee as to whether or not we should have comprehensive health care reform in order to address this problem, or should we do it on a separate, legislative approach.

Mr. Ross responded,

> I, personally, believe there may well be a two-step process that is necessary, doing those things that can be done now to address things that can be affected in the short run, while setting up a process to deal in a more long-range and fuller basis with the problem in the context of broader health care reform.

The other trustee was asked, What are the alternatives if we do not address the problems? And Mr. Walker said, ''Delaying will only serve to increase the difficulty and the severity of any related changes. In addition, failure to address the financial imbalance in the Medicare programs will likely have long-term adverse consensus on Social Security, since the Congress has had a history of redirection of funds for the relatively better financed,'' because none of these programs is well financed, ''the relatively better financed programs in the short-term in order to shore up the troubled programs.''

What they were recommending is that we take action in the short term and, yes, then address some of the other issues in the context of health care reform for longer-term recommendations for the long-term stability of the program far beyond the year 2002.

The trustees also estimated that it would take an immediate 4-percent increase in the payroll tax or an immediate reduction in Medicare spending by 30 percent to deal with the insolvency issue if Congress does not make the changes in the system.

Obviously, we do not want that to happen. That is why, I think, that a commission on Medicare would be very, very, helpful. Our plan before the Senate today actually increases Medicare spending and saves the Medicare Program from going bankrupt in 7 years, as the Medicare trustees have predicted.

Our plan provides for overall cumulative spending for Medicare over 7 years of $1.6 trillion. Medicare spending will climb from $178 billion this year to an estimated $283 billion in the fiscal year 2002 under this proposal, an increase of $105 billion, or almost 60 percent above this year's outlays alone.

Moreover, per capita spending on Medicare under this measure will rise from $4,950 per Medicare beneficiary in 1995 to more than $6,400 per person in the year 2002, a 29-percent increase. That is an increase of over $1,500 in 7 years, or an extra $200 per person each year in Medicare spending.

Our plan also protects Social Security. That is why I am also amazed that so many here have said in their previous speeches that somehow this plan affects Social Security. They said that about the constitutional amendment to balance the budget, as well. But there is nothing more important to the Social Security trust fund than making sure that we get our house in order with respect to our Federal budget deficits. The more we spend in the red, the more we borrow from the trust fund.

It is paramount for Social Security recipients that we address the deficit issue and make every attempt to restrain the growth of our national debt. That is the real threat to the Social Security program. The fact is that no less than 10 percent of our Federal debt, much of which has been added over the last 2 years, is already owed to the Social Security trust fund. That is why it is so critical for us to balance the Federal budget. In fact, the former Commissioner, Robert Myers, of the Social Security Administration—he was Deputy Commissioner in 1981 and 1982, and he also, in 1982 and 1983, served as the Executive Director on Social Security reform—this is what he had to say:

In my opinion, the most serious threat to Social Security is the federal government's fiscal irresponsibility. If we continue to run Federal deficits year after year, and if interest payments continue to rise at an alarming rate, we will face two dangerous possibilities. Either we will raid the trust funds to pay for our current profligacy, or we will print money, dishonestly inflating our way out of indebtedness. Both cases would devastate the real value of the Social Security trust funds.

Further quoting Mr. Myers:

Regaining control of our fiscal affairs is the most important step that we can take to protect the soundness of the Social Security trust funds. I urge Congress to make that goal a reality.

So our plan preserves a secure legacy for future generations. We are not embracing the status quo. We do not want to condemn future generations to impossible choices on spending, which is what the administration's plan certainly offered, and certainly what the minority's plan has offered, which is no plan. So there are no choices here. And that is why this proposal before us today is so critical. Because this is the only plan that will address the indebtedness of this country, and to put us on a more stable path. You might ask, if we do nothing to end the rising tide of debts, what happens to the young people of today and to future generations? It is interesting to note, the National Taxpayers Union has estimated that a child born today will have to pay over $100,000 in extra taxes over the course of his or her lifetime in order to pay just the interest on the debt which will accumulate in the next 18 years. And for every $200 billion in new deficit spending, a child born today will need to pay an additional $5,000 in taxes, just to cover the interest charges.

Tax burdens are so enormous that projections are that a child born today will now have to pay between 90 and 100 percent—90 and 100 percent—of his or her income in order to pay for the expected spending. That is simply not a fair burden to place on future generations. It is morally reprehensible and financially disastrous.

On the contrary, our plan will relieve future generations from having to carry the yoke of debts and deficits by reaching a balanced budget by the year 2002. That is our gift to the next generation of Americans. And they deserve no less.

While much has been said recently about supposed tax reductions in our plan, I would like to make one thing clear once and for all. In our plan, deficit reduction and balancing the budget is our only priority. Lest we forget, it was this very administration which took great pride and effort to preempt the new majority in Congress last November after the election by issuing its own tax cut proposal to the American people of at least $69 billion.

As the majority of Americans in every income bracket have expressed in opinion poll after opinion poll, we understand that deficit reduction must be our first priority, our only priority in this budget plan and our first order of business. And that is exactly what you are going to find in this budget proposal. It is nothing more and nothing less.

Under our plan, the Federal Government spending will be slowed by $961 billion over the next 7 years, reducing Government outlays from a total of $12.8 trillion to $11.9 trillion. If we are going to lead by example, we should in deficit cutting, and we have in our budget. In fact, we place a strict 7-year freeze on all pay for Members of Congress because we think it is important that we do all that we can to make sure that we are contributing to deficit reduction. In fact, I think we should do more.

In addition to reducing Federal spending, our plan reduces the albatross of Federal bureaucracy. Our budget proposal reduces the size and scope of a Federal bureaucracy that has overtaxed, overregulated, and overextended itself over past years, hurting small businesses, middle-class families, and economic expansion.

Our plan eliminates dozens and dozens of Federal departments, agencies, and programs. It abolishes unnecessary bureaucracy, eradicates Government waste, terminates duplication, and consolidates and streamlines Federal programs to improve efficiency and prioritizes our very limited Federal resources. In short, our budget plan puts the Federal Government on a much-needed low dollar diet, and applies some fiscal therapy to our governing institutions.

What did the administration attempt to do? I remind you, the President, back in June 1992, said that he was going to have a 5-year plan for the American people to balance the budget. Of course, he never presented that to the Congress. He has never developed such a plan. But in his budget for fiscal year 1996 he eliminates just one Federal program, the Interstate Commerce Commission. That was the administrations's commitment to reducing the size of Government in Washington.

But I think it is important to look at the benefits of a plan to balance the budget by the year 2002. A balanced budget plan prepares America for future economic growth. It is right for America because the balanced Federal budget is good economics, good accounting, it is good for job creation, it is good for productivity, it is good for savings, it is good for reducing taxes, and it is very, very important in restoring the faith and trust that is essential for America to have between government and the people.

According to the General Accounting Office, if we balance the budget by the year 2002, the average American will have a real growth in income of 36 percent by the year 2020. Others predict that passage of a balanced budget will result in a 2.5-percent drop in interest rates, while the Wharton School of Business predicts a 4-percent drop. With a 2.5-percent drop in interest rates, our interest payments will be lowered by more than $600 billion between now and the year 2002.

Finally, it has been pointed out that when we do have a balanced budget, in the year 2002, interest rates will stay around 3.5 percent. For average homeowners this will mean a savings of $500 per month on their mortgage payments.

Another reason we must have a balanced budget set forth in our plan is because our Nation cannot continue to live in a fiscal condition where our standard of living is being continually challenged and lowered by the effects of annual deficits and increased debts. Without a balanced budget, America will become a second-rate economy with a second-rate standard of living.

We can no longer afford a gross interest payment on the debt of $339 billion this year and $372 billion next year. Within a few years—and this is an amazing statistic—the interest on the debt will consume 50 percent of all discretionary spending. In fact, since 1980 interest on the debt is the only area of the budget that has grown faster than entitlements, at a rate of 120 percent.

We can no longer afford a debt of $4.9 trillion, a debt so large that each person's share of the debt would have grown from $18,500 today to $23,700 per person, under the President's proposal, in 1999, a proposal, as I mentioned, we soundly rejected this morning by a vote of 99 to zero. So who says bipartisanship is nonexistent when it comes to recognizing a bad budget?

We can no longer afford to continue to allow the income of American families to deteriorate because of the Federal Government's fiscal ineptitude. According to the Concord Coalition, without the debt burdens imposed by recurring debts, the average family income would be $50,000 rather than $35,000.

The truth is, our plan for a balanced budget by the year 2002 is the right plan for America because, if it passes, it will be the very first balanced budget in more than a quarter of a century. Today, 26 years and a generation later, we have a chance to restore some fiscal equilibrium in our country. So now is clearly the time. Judging the trends, now is the time to act or we will quickly reach a dangerous and irresponsible point of no return.

In the 1960's, deficits in America averaged $6 billion per year. In the 1970's, deficits averaged $38 billion per year. In the 1980's, they averaged $156 billion per year.

So far in the 1990's they have averaged almost $260 billion per year. Clearly, signs are pointing to a worsening of economic conditions before we reach an improvement. That is why this is potentially our last rendezvous with history. We have tried different paths before. We have tried numerous legislative fixes, jump-starts, we have even tried statutory attempts like Gramm-Rudman-Hollings and the Rudman Act and the Byrd Act, and the

Humphrey-Hawkins Act. We tried rescissions and freezes and spending caps, and some, like the administration, even resorted to onerous tax hikes to get the American people to pay for the Federal Government's inaction. But the fact is that the problem remains, and it has only gotten worse.

I think, Mr. President, that we can do better, and we must do better. This plan sets aside the gimmicks, and balances the budget and the old fashioned way with real budget priorities, spending reduction, and fiscal responsibility. It will allow us to start anew and to plan for a brighter future for our children as they pursue their own American dream. Our children's legacy is too priceless to be squandered.

Mr. President, I yield the floor.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from Virginia.

Mr. ROBB. Mr. President, I do not know who is controlling time on this side. But I yield myself such time as I may use at this particular point.

The PRESIDING OFFICER. The Senator has to ask unanimous consent to use time.

Mr. ROBB. I ask unanimous consent to use such time as may be required.

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

The Senator from Virginia is recognized.

Mr. ROBB. Thank you, Mr. President.

Mr. President, as we continue our debate on the budget resolution, let us remember that this is the easy part. A budget resolution is not a budget any more than a balanced budget amendment is a balanced budget. It is easy to vote for a constitutional amendment to balance the budget, and it is relatively easy to vote for a nonspecific budget resolution. The hard part is actually producing a balanced budget.

Both a balanced budget amendment and a balanced budget resolution are in effect a commitment to make the really tough choices required to get to a balanced budget. The heavy lifting comes later. The pain will not really be felt, and the magnitude of the sheer sacrifice required will not truly become a reality until the authorizing, appropriating, and finance committees finish their work, and specific programs are cut by specific amounts and specific revenues are raised either by increasing tax rates or eliminating tax breaks. That formidable task still looms over the horizon even after this budget resolution is passed.

Those of us who voted for the balanced budget amendment and those who voted against the balanced budget amendment, because they did not believe we needed to change the Constitution to provide the courage required to make the tough decisions, have a special responsibility to work together to produce a balanced budget. The framework of this debate is how to get to a balanced budget by the year 2002.

We ought to acknowledge up front, however, that even the current Republican budget resolution does not actually get us to a true balanced budget by 2002 because it still uses the Social Security surpluses for the next 7 years to mask the size of the remaining deficit as we have been doing for many years in the past. Therefore, we cannot deny that, even if we fulfill the promise of the current budget resolution in 2002, we will still be spending $113 billion more than we take in.

Nonetheless, this resolution clearly moves us in the right direction, and the Republicans are to be commended.

President Clinton started us in the right direction in 1993 with a bold mix of spending cuts and income tax increases limited to the top 1.2 percent of the wage earners that gave us the largest deficit reduction package in our Nation's history. I had hoped for similar boldness in the administration's budget for this year. The political considerations apparently dictated otherwise, as they obviously did for the two previous administrations. Therefore, the Republicans get and deserve credit for keeping the momentum going.

Now in control of the Congress, the Republicans are struggling to make the tough choices. And it seems to me that it is critical that we work together to reach the agreed-upon goal by the year 2002.

We should applaud Senator DOMENICI and Representative KASICH for doing what they said they would do by developing budget resolutions that create an outline for how our budget can, if we count in the Social Security surplus, achieve balance by the year 2002. We do not have to agree on every suggested cut. But I hope we can be constructive in our criticism.

In all fairness, it is difficult to attack Republicans for advancing a faulty plan when we Democrats have not yet offered a better one. We should take advantage of this historic opportunity to lay out our different priorities for the Nation within the context of a balanced budget. And I can assure you that nothing that we are planning, Mr. President, to propose in the way of a amendment lessen our chances of meeting that goal in the year 2002.

Our parties have very different visions of government. We should debate these differences honestly and constructively. I applaud the strength of the convictions that drives my Democratic colleagues to fight for programs which help children, the elderly, and the disadvantaged. Protecting the defenseless and aiding the less fortunate have always been a hallmark of our great party. In my view, however, failing to balance the budget as soon as possible will ultimately harm precisely those we seek to protect.

We are on an unsustainable path that places our Nation's future at risk. Every dollar we borrow to fund a program today will have to be repaid with interest by our children tomorrow. And every dollar our children have to spend repaying interest on our debt is one less dollar for them to use to build schools, improve highways, pride health care, or fund law enforcement. In truth, we are paying today for past failures to address the upwardly spiraling national debt. This year, 15 percent of our annual budget is devoted to paying interest on the massive debt we began accruing in earnest during the 1980's. In fact, if it were not for the interest we are paying on this whole debt, our budget this year would be balanced.

In any event, we can no longer afford to use deficit reduction as a political hot potato. Now is the time for real leadership. We should begin providing that leadership by educating the American people on a bipartisan basis about the sacrifice that reducing the deficit requires from us all. We have a higher calling than current political passion. The temptation to tear down the other side is difficult to resist.

For the sake of the next generation, however, we should not allow ourselves to do to Republicans what they did to us when we made the tough decisions to reduce the deficit in 1993. When we were in the majority, we made the hard choices without a single Republican vote. Republicans then in the minority decided to exploit those tough decisions, and succeeded in the last election largely as a result. The middle class was led to believe their income taxes had been raised when, in fact, we increased the income tax rate only on wealthiest 1.2 percent of Americans who could best afford it, and actually reduced taxes for the 16 percent least affluent working families who needed a break.

Likewise, people were led to believe that we did not cut spending. But the fact is that we cut $255 billion in Federal spending. The tactics deployed to attack the 1993 plan, however, are what make balancing the budget so difficult and which have kept us on the path to incomprehensible indebtedness.

If we seek revenge against the Republicans and resort to the scare tactics and distortions that so successfully ruined our efforts to achieve even greater deficit reduction in 1993, we will have abdicated our responsibility to protect future generations.

We need the courage to ignore the polls which suggest that, while a majority of Americans believe we should balance the budget, and even greater majority oppose cutting the programs that contribute the most to the deficit. And of course, no one wants a tax increase.

There are, however, only two ways to balance the budget. We either cut spending or raise revenues. And, in truth, we need to do both. We need to focus our efforts on cutting all the Federal spending that we can eliminate in good conscience. And we should not shy away from terminating departments, agencies or programs that do not make sense, even though they have a strong constituency. But, after we cancel all of the useless, inefficient, or unnecessary spending we can identify,

if we still cannot balance the budget, we are going to have to have the political courage to raise taxes. Otherwise, we will be conceding that we are unwilling to live within our means.

Our job as leaders is to describe the choices, educate the people, and explain that we cannot get to balance merely by eliminating waste, fraud and abuse, cutting welfare, and stopping foreign aid. There is no line item for the former, and the latter each represent less than one percent of our current budget. And we cannot let the polls dictate our response. Our best judgment of what is right for America in the long run should be our guide. In the oft-repeated words of Edmund Burke, ''[y]our representative owes you, not his industry only, but his judgment; and he betrays instead of serving you if he sacrifices it to your opinion.''

If, to gain political advantage, we pummel those who make the tough decisions to reduce the deficit, we will poison the atmosphere and sow the seeds of our own destruction. Balancing the budget will become impossible. As a result, we will have succeeded in being the first generation to leave the country in worse condition than we inherited. By arguing that painful cuts or tax increases are not necessary, we send a dangerous message to the people we serve. We simply cannot continue to tell the American people that it is possible to have it all without paying for it.

The fear of partisan attack, however, has already made this process more difficult. Knowing the power of various interest groups, both sides are afraid to recommend cutting sacred programs or raising needed revenues. Social Security accounts for 22 percent of our annual current budget, Medicare for 12 percent. If we do nothing, entitlements and interest on the national debt will consume every dollar the Federal Government receives by 2013. No program can be placed off-limits if we seek to balance the budget in the most even-handed manner possible. If sacrifice is spread broadly and fairly, we can succeed. Otherwise, we will fail.

Our guiding principle should be to provide Federal benefits only to those who truly need the Federal Government. We can no longer afford to do otherwise. Calls for limiting Federal benefits to those in need, however, should not be misconstrued as a battle cry for class warfare.

Democrats should be willing to admit that there is nothing wrong with wealth or economic success. Indeed, that is the rung on the economic ladder that most Americans are trying to reach. Republicans, on the other hand, should acknowledge that a progressive income tax, which is based on the fair notion that people should pay taxes according to their ability, and denying unneeded benefits to the well-off, is not class warfare. It is merely a recognition that we do not have the money to pay $30 billion in entitlements each year to families who make over $100,000 annually. In short, Federal revenues should go only to those who need and deserve our help.

Given this fiscal crisis, I believe it is sheer folly to even be considering a tax cut at this time. Indeed, we play a dangerous game when we pander to those who say ''it's our money, and we want it back.'' Tax revenues pay for governmental functions that benefit all of us, such as national defense, highways, schools, and law enforcement. We are bound together as a community of individuals who support a social contract. We can support that social contract either out of compassion, believing that we have a moral obligation to each other, or we can support the social contract out of fear, knowing that if we fail to help those truly in need, a feeling of sheer hopelessness will eventually lead them to believe that they have no choice but to take by force what they believe they need to survive.

I support the bold efforts of those who seek to balance the budget by 2002. The longer we wait, the more difficult the task becomes. If the events of the last week are an indication, however, we are at risk once again of making deficit reduction a pitched political battle. If we do so, the primary casualties will be the children of the next generation, defenselessly caught in the crossfire. Madam President, I thank the Chair and I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER (Ms. SNOWE). The Senator from Virginia.

Mr. WARNER. Madam President, I join my distinguished colleague from Virginia in our endeavor to support a balanced budget.

I am not sure I fully understood his final comments about the children in the crossfire, but it is clear to me that children will shoulder this debt, which is growing constantly, unless we join together, as my colleague said, Republicans and Democrats, in resolving this budget problem.

Madam President, I will have further detailed remarks on this issue early next week; but I wanted at this time to close out the debate today with an appeal for all Senators to examine the impact of the Senate budget proposal on our national defense.

Both my junior colleague and I are privileged to serve on the Senate Armed Services Committee, and he knows full well that defense has been declining, Madam President, for every fiscal year for a decade; for a full decade.

This morning, I say to my colleagues, this article appeared in the newspapers in Virginia's Tidewater area, where we are privileged to have the world's largest naval base, in Norfolk. It states: ''Naval Reserve Jets Activated for Duty in Bosnia Combat.'' If I may ask my colleagues to bear with me while I read one or two paragraphs.

''Special reserves'' are being used during downsizing. For the first time—

I repeat, for the first time.

since the Vietnam War, a squadron of Naval Reserve warplanes is being activated and sent to the Mediterranean to join military operations over Bosnia.

The deployment is part of the Pentagon's plan to rely more on the ''select reserves'' during the military's downsizing, officials said.

I ask unanimous consent that, at the conclusion of my remarks, the entire article, together with another one, appear.

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

(See exhibit 1.)

Mr. WARNER. I thank the Chair.

Now, there is clear documentation of these 10 consecutive years of downsizing of the U.S. military—10 years. And the Senate Armed Services Committee, indeed the Republicans under the leadership of Chairman THURMOND, have been addressing this issue. And under the leadership of the chairman and Senator MCCAIN, there will be forthcoming proposals to address what I regard as a very serious problem, namely that the House Budget Committee proposal for defense spending, which is $267.3 billion and adopted by the House just yesterday, falls in the area which I hope, and others hope, to achieve for the Senate.

The Senate bill is the same as the President's submission and considerably less than the House bill. And therein lies the difference that I, together with others, will ask the Senate to address next week. It is a very serious problem.

Also appearing in the news today is a second article, from the Washington Post, that concerns me greatly, Madam President. And that is entitled, ''Clinton Administration Trades Military Modernization for Readiness.''

I ask my colleagues to indulge me in reading a paragraph or two:

''In avoiding a short-term problem with military readiness, the Clinton administration has created a long-term headache over modernization of weapons and equipment.

''It has cut procurement of weapons systems to the lowest level''—I repeat, the low lowest level—''in nearly a half-century in order to sustain training, maintenance and other readiness spending at robust levels.''

Madam President, I am not faulting the Secretary of Defense. He is given only so much money to deal with. He does the very best he can—indeed, Secretary Perry is one of the finest to have ever held that office—the very best he can to project the Department's expenditures over each of the fiscal years. He comes from the research and development area of the private sector. He knows full well the danger of this course of action.

I have discussed this very problem with him, as have other Members of this Chamber, and we realize he really has no alternative.

All of this to say, Madam President, that early next week I hope the managers of this bill provide the Armed Services Committee an opportunity to

address this issue in greater detail and to focus the attention of the entire Senate on the very significant difference between the House approach and the current Senate proposal now before us. It is my hope that the Senate will make some adjustments. But I leave the details as to how it is to be done until the opening remarks by our chairman of the committee, together with Senator MCCAIN, and I hope to join them in this effort.

I thank the Chair and I yield the floor.

EXHIBIT 1

NAVAL RESERVE JETS ACTIVATED FOR DUTY IN BOSNIA COMBAT

(By Jack Dorsey)

For the first time since the Vietnam War, a squadron of Naval Reserve warplanes is being activated and sent to the Mediterranean to join military operations over Bosnia.

The deployment is part of the Pentagon's plan to rely more on the ''select reserves'' during the military's downsizing, officials said.

Two EA-6B Prowler jets and about 30 personnel from Tactical Electronic Warfare Squadron 209, based at Andrews Air Force Base near Washington, left Thursday for the Norfolk-based carrier Theodore Roosevelt.

The Roosevelt, currently in the Red Sea, is heading toward the Adriatic Sea off the coast of the former Yugoslavia to assist NATO and United Nations personnel taking part in Operation Deny Flight.

In this instance, the jets will augment an active-duty squadron of four or five Prowlers assigned to the carrier. The reserves will rotate pilots and crews from the U.S. every 30 to 60 days for six months.

The deployment of reserves also is a result of the military's ''right-sizing,'' said Capt. John Kistler, deputy chief of staff for the Naval Reserve Command, headquartered in New Orleans.

While some reserve units were called up during the Desert Shield and Desert Storm operations, no reserve tactical jets were needed aboard carriers, Kistler said. The military refers to its ''tactical'' aircraft as those capable of waging combat, such as fighters and bombers.

''Until right-sizing started, we had an air wing for every carrier,'' Kistler said. ''There was always plenty to go around.

''Now, when they need to make up a different configuration for a better scenario like they did for this one, we believe they will be increasing their reliance on reserves to finish out a carrier (air wing) to whatever size they want it to be.''

The next deployment may require more helicopters, for example, he said. A Naval Reserve squadron of H–60 helicopters out of Norfolk was ordered to Haiti last fall for six weeks.

All of the reservists volunteered for the Haiti assignment, Kistler said.

''It is very exciting for them. They have always known they could do the job well and this is another chance to prove it. We didn't have to ask anyone to go. It was all volunteer.''

The Navy Prowlers are four-seat, twin-engine jets equipped with anti-radar missiles that home in our enemy ground radar. The jets also carry pods that contain high-powered electronic jamming equipment that can be used against enemy air defenses.

While the fighting forces in Bosnia have relatively few aircraft: possibly two or more Soviet-built MiGs—land-based mobile missile launchers on the backs of trucks.

The Prowlers can jam electronic signals, including communications and missile commands.

Each jet has a pilot, navigator, electronic warfare operator and missile operator.

A unit of Air Force EF–111 Ravens currently performing similar duties out of Aviano Air Base in Northern Italy is ready to rotate back to the United States.

The Navy Prowlers will take their place, operating primarily from the carrier but out of Aviano during periods of poor weather.

CLINTON ADMINISTRATION TRADES MILITARY MODERNIZATION FOR READINESS

(By Bradley Graham)

In avoiding a short-term problem with military readiness, the Clinton administration has created a long-term headache over modernization of weapons and equipment.

It has cut procurement of weapons systems to the lowest in nearly a half-century in order to sustain training, maintenance and other readiness spending at robust levels.

So far, this trade-off has paid off politically and operationally. Pentagon officials largely have silenced earlier congressional allegations of a readiness crisis, citing the able performance of U.S. forces in Haiti and the Persian Gulf region. The military chiefs have supported assertions by the Defense Department's civilian leaders that no immediate readiness problem exists.

But Defense Secretary William J. Perry acknowledges his spending plan is open to attack for shortchanging modernization in the near term.

''If you're looking at an area where this budget can be criticized,'' Perry told members of the House Budget Committee recently, ''I think that this is the area where it is most vulnerable.''

Indeed, Perry is coming under fire from some in Congress for the gross imbalance between readiness and modernization. ''This shortsighted strategy puts at risk our future military capability,'' Rep. Floyd Spence (R-S.C.), chairman of the House National Security Committee, told the service secretaries at a recent hearing.

For all their concern, however, congressional Republicans have not put forward a formula for maintaining both readiness and modernization giving existing budget constraints and troop levels.

GOP leaders had hoped to bolster the procurement accounts by boosting overall defense spending, but that objective has become subordinate to the imperative of reducing the deficit. Rather than attempt any major re-balancing of President Clinton's program, Congress appears inclined to add little if anything to the administration's plan.

Perry has been committed since taking charge of the Pentagon early last year to keeping readiness high during the draw-down of U.S. forces. He wants to avoid the deterioration in performance and morale that marked defense cutbacks under President Jimmy Carter. He also makes the point that the numerous demands being placed on the military to respond to hot spots around the world require a high state of preparedness.

When anecdotal reports of eroding readiness started emerging last autumn, followed by official confirmation in November that the readiness ratings of three Army divisions had fallen, congressional Republicans accused the administration of military mismanagement.

The administration blamed the problem instead on lack of funding for unplanned operations in Somalia, Rwanda, Bosnia, Haiti and elsewhere; to compensate, the services siphoned money from readiness accounts. With a fresh infusion of operational funds from two supplemental appropriations in the past eight months, the Pentagon was able to raise its flagging readiness indicators—and political controversy shifted to the depressed state of military modernization.

A panel of retired four-star officers concluded in a recent report to Congress that the administration was ''failing utterly'' to invest adequately in the nation's military future. ''Our legacy to the next generation is likely to be 45-year-old training aircraft, 35-year-old bombers and airlifters, 25-year-old fighters, 35-year-old trucks and 40-year-old medium lift helicopters,'' said the report by Air Force Gen. Charles A. Gabriel, Marine Corps Gen. Alfred M. Gray, Adm. Carlisle A.H. Trost and Army Gen. Robert W. RisCassi.

The administration has requested $39.4 billion in budget authority for procurement in fiscal 1996, which adjusted for inflation would be a decline of 71 percent from a peak in 1985 and the lowest level since 1950.

For the Army, this means no major equipment orders beyond several dozen Black Hawk helicopters, only upgrades of Apache helicopters, Bradley vehicles and Abrams tanks. For the Air Force, which is pouring billions of dollars into development of the new F–22 fighter to supplant the F–15, there is little money left to replace aging squadrons of F–16s. And for the Navy, orders for new ships are to dwindle to three next year; naval planners also are concerned about possibly running out of planes in the next few years to put aboard aircraft carriers as A–6 aircraft are retired early.

The administration's five-year budget plan envisions a 47 percent increase in modernization spending between 1996 and 2001, but much of that is not projected to materialize until the turn of the century—and depends on the uncertain realization of substantial savings from military base closings and acquisition reforms being instituted.

In the meantime, the administration is gambling that high-tech upgrades can extend the useful lives of existing military hardware. And it is betting that the nation's military-industrial base still will be there when needed again.

Further, the wholesale deferment of many modernization projects risks creating a ''bow wave'' of future procurement that some defense experts warn may prove too large and costly to manage. Rather than cancel acquisition programs, the Pentagon for the most part has opted for stretch-outs and deferrals of such items as the Army's Comanche helicopter, the Air Force's F–22 fighter, the Navy's DDG–51 destroyer and New Attack Submarine and the Marine Corps' V–22 aircraft and new amphibious vehicle. Other programs are slated for cuts in planned production rates.

''Generally, the most efficient way to achieve savings in the procurement budget is to cancel outright a relatively small number of programs, rather than to stretch out or defer production of a large number of programs,'' noted a report by the Defense Budget Project, an independent think tank. ''Unfortunately, the administration appears to be taking the latter approach.''

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Madam President, I rise to discuss the issue of Medicare and Medicare reform.

The two Medicare public trustees, in the 1995 annual report, have stated: ''We feel strongly that comprehensive Medicare reforms should be undertaken to make this program financially sound now and over the long term.''

As a newcomer to this body, I see these words as a physician who has taken care of thousands of Medicare

patients. I want to speak for those patients and say that we have an obligation to respond.

I have seen the great advantages of the Medicare system which has served millions, almost 38 million people currently, who are senior citizens and individuals with disabilities. I have seen the very great aspects of the program and I have seen the deficiencies. I have seen the need for improving the Medicare system. And I can tell you that such improvements are required to guarantee the future of the program.

These very same trustees have stated that Medicare part A, the hospital part of Medicare, will be bankrupt in 7 years unless we act.

Our elderly population will continue to grow faster than other segments of the population and they will continue to live longer. Medical innovations will continue—innovations that literally transform health care as we know it today. We need to deliver high-quality health care at a lower aggregate cost. But that does not mean that maintaining the current rate of spending growth or even adding more money to the Medicare system will get to the driving source of the problems, the challenges we face today in Medicare.

My hope, in part, in coming to the Senate was to be able to share my expertise and perspective, my experience as a physician, with my colleagues. As the only physician in the Senate today, I want to share some of the realities of the Medicare system that we have today—realities that go far beyond the talk of billions of dollars or percentage of rates of growth, realities that will help put it in perspective.

Let us think for a moment of Medicare as a patient. Let us say Medicare is a man in his early sixties. He visits his doctor because of chest pain. The patient is 40 pounds overweight, smokes too much, drinks too much, does not exercise. The doctor explains in very clear terms that the patient is at high risk of a heart attack.

The doctor tells him very clearly that he must change his diet, cut back on alcohol, cut back on smoking, exercise more. All of these things will reduce the risk of a heart attack in the short run. Moreover, he will lose weight and improve his long-term health and life expectancy. This will give his family greater security, as well.

''But, Doctor,'' the patient asks, ''I don't care about my weight. Just tell me what I can do to fix my chest pain.'' The doctor again explains to him that when he changes his behavior to save his heart, he will also lose weight, feel better, achieve a better quality of life, and live longer. Weight reduction will result from the actions he will take to protect his heart. It is not the reason he is engaging in this program of exercise and diet to lose weight, but by losing weight that is what will happen.

I hope the analogy is clear. The public trustees have told us that the patient—Medicare—is at high risk of a heart attack. The diagnosis has been made for us. It is crystal clear. They tell us if we do nothing, Medicare simply will not be with us in 7 years. We need to change Medicare to preserve Medicare, to prevent bankruptcy. In the long run, we will have to look at structural reforms to improve Medicare well into the 21st century. We are going to have to look at how to improve Medicare so that it can live a long and prosperous life.

The program changes made in the short term to slow the rate of growth are very similar to the heart patient's exercise regime. No one wants to do it, but it has to be done. Some short-term pain, yes, but for significant long-term gain. It is hard enough to lose 40 pounds, let alone to put it off until all of a sudden you are up to 80 pounds. At 80 pounds, it becomes next to impossible.

As we see in this proposed budget, when we save Medicare from a short-term heart attack, the deficit will come down as a necessary byproduct. We must change Medicare to save it. And when the deficit comes down, we should look on all this as a good thing because it will produce significant benefits for our entire economy in the same way that our Medicare patient losing weight will benefit his health. But the primary reason we are changing Medicare is to preserve and protect Medicare, just as the patient is losing weight to prevent that heart attack.

Earlier today my distinguished colleague from West Virginia said he has not heard a single complaint or a single problem about Medicare lacking choices. I have lived within Medicare. I have heard the complaints, as well as experienced the benefits. There is much we can do—much we can do—to improve Medicare, to save it.

My last heart transplant that I performed was on December 13, 1993, a wonderful fellow, Bob Meadows. Bob is doing well now. He has a new heart. He is feeling great. He is on top of the world. However, he wrote me a letter recently talking about a problem that very specifically aims at Medicare.

He and I have been through a lot together. His problem is that he is going to be 65 years old on June 23, a month from now. At that point, he will be eligible for Medicare. So what is the problem? Bob will give up his current insurance that he has, which is pretty good, and move into the Government-run Medicare Program. He has no choice today. Should Bob not have a choice? He had a choice when he was 64 and 63 years of age. He has no choice when he is 65 years of age. Should he be forced to leave his current plan just because of a birthday, because he is entering the Medicare program?

To improve Medicare we should allow choice, we should give him that opportunity to stay with his previous plan. We should have him direct Medicare, to direct his Medicare dollars and to use as he best determines for himself, given his own medical needs, rather than have Medicare direct him.

When we talk about reforming Medicare or improving Medicare, we must stress the importance of having choice in our Medicare system, choice which simply does not exist today, choice similar to the choice that I had in coming to this body 5 months ago. I had a choice of a variety of health plans. Our seniors do not have that choice. I had a choice in the Federal Employees Health Benefits Plan. Seniors do not have that type of choice, but we can give them a structure of similar choices to improve the system.

Bob had a choice before I did his heart transplant. He will not have a choice next month. Some of our colleagues have told us that people like Bob, senior citizens, individuals with disabilities, do not deserve a choice once they go into the Government-run Medicare system, or others say they do not know if these plans will be good for seniors, and others simply say that seniors are not capable of making the choice of what is best for them. I disagree.

Bob, because he is a heart transplant recipient, is discovering very quickly that Medicare is going to be so inflexible that it will not meet his needs. Bob has enormous prescription drug costs because he is required to take medicines, drugs, immuno-suppressive agents on schedule everyday for the rest of his life. If he misses it, the heart that I put in will stop, and he will die. His heart will be rejected. It will result in longer hospitalizations, increased costs to the taxpayers.

His prescription costs are high, almost $2,000 per month during this first year. Luckily his insurance has been covering these costs, but next month, when Bob joins Medicare, he will not have access to a plan that will give him affordable coverage for these drugs. His drug costs will continue, continue very high, more than $10,000 each year.

Bob has been doing all the right things. He has been shopping around for supplemental coverage. Almost 90 percent of patients getting Medicare today have some type of supplemental coverage, but the supplemental medigap models, they are called, only provide for limited prescription drug coverage. Bob, even with medigap coverage, will have to pay more than $7,000 a year for his immuno-suppressive medicines. In Medicare today, unlike most private plans, there is no limit to out-of-pocket expenditures. Yes, there are things we can do to improve Medicare today, to give choice to our senior citizens.

Bob will be joining Medicare. If he fails to do so promptly, he is going to be penalized if he tries to join at a later date. Bob will have to find supplemental coverage and will ultimately look into having to be declared what is called medically needy by the State of Tennessee so that he can then access Medicaid funding to help pay these

bills. Again, there is room to reform and improve the Medicare system.

Bob and his wife planned for retirement, but his health status, which he did not ask for, straddles him with enormous medical costs. Now Medicare is going to straddle him with extraordinary reliance on a program that is not flexible. We, together, would serve Bob better, far better, if we improved, reformed Medicare to give him the opportunity to choose from among a variety of health plans that would better serve his individual needs.

The Republican balanced budget plan will allow Medicare's rate of spending to increase by more than twice the rate of inflation. At the same time, we must update Medicare, bring it into 1995 and to the 21st century to allow people like Bob continuity of health care by permitting them to keep the same plan that they had when they were 64 years of age. Our senior citizens deserve it. Our senior citizens must be given the security that Medicare will be here 7 years from now, security that they do not have unless we act.

Bob's new heart that I put in last year will be going strong in 7 years, but will Medicare? Not unless we act. We must pass the balanced budget plan. We must establish the bipartisan commission which is part of that plan to make recommendations on true Medicare improvements, Medicare reform, and we must ensure that Bob and other senior citizens truly will have a Medicare system that will be preserved and of which they can be proud over the next decade.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I thank the Chair.

Madam President, as far as this Senator knows, we have no further speakers for today. I have some remarks that I would like to make on the matter at hand and then advise the Senate briefly what amendments we intend to take up and what those amendments are about that we have scheduled on our side, recognizing that we will be going back and forth on the amendments.

But first, Madam President, we will be talking more about this on Monday. What we are going to be talking more about Monday is to try and explain to America the deep cuts that are being provided for in the Republican budget with regard to Medicare.

I hear a lot of comment about the concern for America. I have heard a lot of talk about the Democrats that want to spend. I simply say to the Senate again that the Democrats, once again, have not offered an amendment in committee, we have not offered an amendment on the floor of the U.S. Senate that raises the deficit, the violates the 2002 date suggested in the Republican budget which this Senator and several Democrats happen to agree with.

Once again, on this amendment, and others that we are going to be offering, we are simply going to be dipping into the reserve of $170 billion that is specified eventually likely to be available for a tax cut, to alleviate the extraordinary hits—not eliminate them—but to relieve the extraordinary hits on some programs that we just do not think are capable of accepting those kinds of hits.

So let us make it clear once again, despite the theatrics that I have heard from those on the other side of the aisle today, that this is a terrible spending program that the Democrats are about, that the Republicans are trying to save money, they are trying to balance the budget and they are the only good guys because those bad Democrats on the other side of the aisle, you see, want to take this money and throw it away, I guess.

In this particular case, and on other amendments we will be offering, we are not throwing money away. We are not going out and saying, ''Here, wind, take these hard earned tax dollars and let it blow into the Potomac.''

No, what we are saying, Madam President, is that we just have different priorities than our Republican brethren. We are simply saying that we do not agree with the priorities that have been set on that side of the aisle.

We are not trying to eliminate the 2002 date for balancing the budget. We are not trying to raise the deficit. We are certainly not trying to raise the national debt. What we are talking about is whether or not we can move without violating the basic principles that have been laid down to reach a balanced budget that this Senator ascribes to, as evidenced by the fact that I voted in favor of the constitutional amendment to balance the budget. We are for these things.

I emphasize once again, Madam President, that what we on this side of the aisle are attempting to do is to say, let us get our heads screwed on right with regard to priorities. And with regard to the devastating Medicare cuts, I would simply say—and I will be addressing this in a few moments—as to how unfair these would be—not only unfair but devastating to the rural health care delivery system in my State of Nebraska. What I say about Nebraska and the facts that I will use to back that up can be said for many other States in the Union that have a substantial portion of rural population.

Madam President, the Medicare cuts in the Republican budget are grossly unfair to the average senior citizen. But rural America will, once again, bear the brunt of the storm of deficit reduction. What we are saying is we want to alleviate some of that by dipping into the money set aside for a tax cut in the Republican budget. And I remind all, once again, that not only is a $170 billion set aside, the $170 billion is specifically set aside for one thing and one thing only—a tax cut. Now, we are for cutting taxes, too, if we can provide that tax cut in a form that does not primarily benefit the wealthiest people in the United States of America, as clearly the plan offered and passed yesterday in the House of Representatives does. We are against that. We happen to believe that, in the case of the amendment presently before the Senate, to dip to the tune of $100 billion into the $170 billion kitty that is in the Republican Senate budget, to alleviate by that amount of money, $100 billion, the unfair and tremendous hit in the area of $250 billion that is scheduled over the next several years by the Republican budget.

It does not mean that it is not going to be cut. It simply says it would be fair and probably acceptable to most of us on this side of the aisle if we just did not hit those senior citizens on Medicare right between the eyes, as clearly the Republican budget does, notwithstanding the protests of those on that side of the aisle. They are wrong. I think they are wrong on the numbers, I think they are very sincere. But I hope that possibly we can pick up enough Republican votes on this very reasonable amendment to allow it to pass.

Madam President, cuts in Medicare and Medicaid could lay siege to small rural hospitals, which often serve a much greater share of the elderly and low-income patients. Nearly 10 million Medicare beneficiaries—10 million, which is one-fourth of all beneficiaries—live in rural America, where there is often one hospital per county. Many times, that one hospital serves many counties, more than just one. Nebraska is a perfect example of rural America's health care crisis that is going to be driven into a more serious crisis if eventually we accept anything close to the cuts suggested in the Republican budget for Medicare.

Let me lay out a few of the statistics. Nearly one-third of Nebraska, or 1.6 million citizens, live in rural areas. More than 38 of our ninety-three counties have elderly populations in excess of 20 percent. Nineteen of Nebraska's 93 counties have no hospitals. Here is the kicker: Medicare patients account for 68 to 70 percent of hospital administration admissions. Cuts in Medicare will cause many of our remaining rural hospitals simply to close. The downturn spiral has already begun. Ten percent of all rural hospitals closed during the 1980's. Medicare cuts will only accelerate that decline. Unlike urban and suburban hospitals, shifting costs to the private sector is not an option. It is not an option when the majority of rural patients are on Medicare and many others are uninsured.

Madam President, I ask at this time, because it is particularly pertinent to the remarks that I am making, that at the conclusion of my remarks a letter that I introduced in the RECORD last night from the head of the hospital association substantiating my figures be printed again in the RECORD.

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

(See exhibit 1.)

Mr. EXON. Big cuts in Medicare will cause many of these remaining hospitals no other option but to close. In 1993, Nebraska hospitals lost $383 per case caring for Medicare patients. Let me repeat that. In 1993, Nebraska hospitals lost $383 per case caring for Medicare patients. Based on the Republican budget, they would lose an average of $1,370 per case in the year 2000. That is a pretty devastating figure. And that would be only if the hospitals are still open. How can our hospitals respond to cuts of this magnitude? Several hospitals in my State are teetering on the brink of insolvency, and these cuts may put them over the edge. They are forced to slash wages, lay off employees, cut back on services, or simply close their doors. Once they close, Madam President, physicians leave our small rural communities and they never, ever will come back. The hospitals are gone forever, and so are the doctors.

Hospitals should not close simply because they serve a large population of Medicare patients. And that is what the Republican budget does. The No. 1 health priority for rural areas is increasing the supply of primary care physicians for our 22 million rural Americans. The Republican budget takes us in the direct opposite direction. More than 75 percent of Nebraska's counties have been designated medically underserved. Up to 25 percent of the rural doctors will retire or relocate within the next 5 years. More than 2,000 practitioners are needed to even begin to meet the rural needs of America.

Madam President, in recent years, a variety of Federal grants have been awarded to States with large rural-urban populations to help them develop new and innovative ways of delivering health care to our rural areas and we have appreciated that. Rural States like Nebraska have formed consortiums among their schools, churches and clinics, in order to pool resources and reach out to vulnerable residents. They have formed regional emergency care networks and organized training programs for their emergency volunteers. They have used physician assistants and nurse practitioners, and they have been a Godsend. Telemedicine grants that help connect rural and urban hospitals through the information highway show real promise in improving quality and access to care for our rural elderly who cannot travel the long distance to urban hospitals.

Rural America got the short end of the stick in the Republican budget. These and other programs critical to the health care of our rural communities were left to wither on the stalks.

I have heard time and time again today the phrase that has been used over and over again that the Republicans have worked so very, very hard to fashion a budget that is going to save America, that is going to balance the budget by the year 2002, that will make these hard choices; that those on the Democratic side of the aisle want to change all that, not give a tax cut, and they want to increase spending.

Obviously, from all of the extensive polling that they have done with GOPAC and all of those other good organizations, they have found good buzzwords. They know that ''spending'' is a good buzzword that catches a lot of attention. So when we say the Democrats are trying to spend more, it rings a bell that they hope will fool the people of America into believing that we are—we as Democrats—offering this amendment that I emphasize, once again, does not change the balanced budget by 2002, and does not increase the deficit. It keeps it the same as outlined in the Republican budgets. It does not raise the national debt.

The only way that we can interpret this as spending would be to say, since we want to keep hospitals open in rural Nebraska and elsewhere, by not eliminating the cut, but softening the cut that has been suggested in the Republican budget, somehow we are big spenders.

Well, if that is the definition of being a big, wild-eyed spender, this conservative deficit hawk, as Governor of Nebraska for 8 years and having the privilege of representing them, this is my 17th year, with a record of trying to reduce spending, with that background, I say if I am going to be labeled as a big spender because I am trying to help out the most fragile parts and sections and individuals in our country, those senior citizens living in rural America, alleviating just a little bit the tremendous hit that they are going to be taking as a result of the budget submitted by the Republican majority, then I stand convicted. I stand convicted, Madam President, of being a big, wild-eyed spender. I simply say that the record speaks for itself.

Madam President, I would like for the purpose of clarification to know where we think we should be going on this side. For the information of my friend and colleague, the Senator from New Mexico, as we bring this week's debate on the budget resolution to a close, I just want to lay out the content of the amendments on this side of the aisle that we will be pursuing after we vote Monday afternoon on the measure before the Senate.

At that time, I assume that we, therefore, will go to the other side of the aisle for the next amendment. As I stated earlier yesterday and then again today, we on this side plan a series of deficit-neutral amendments that seek changes in priorities in the Republican budget. Each and every one of the amendments that we will be offering fall exactly within the guidelines that I have just enunciated with regard to the amendment before the Senate.

All of these amendments, and any that I know of, maintain the Senate path as outlined in a Republican budget to a balanced budget, that is basically the underlying principle of the budget resolution.

The first amendment that we offered that is pending now is referred to as the Rockefeller-Lautenberg amendment on Medicare. That amendment seeks to trim back—not eliminate, but trim back—the tax cut in the Republican resolution and devote more of those savings to alleviating the hits in the Medicare Program that we think are unreasonable.

The amendment following that, when we on this side have an opportunity to offer our next amendment, will be an amendment to offer to trim back the tax cuts just some, a little bit further, and debate those savings, to reduce the cut and the hit on education.

Now, Madam President, we will be making the very similar case and following generally the same roads of reasoning as to why we think the Republican budget that came unanimously out of the Republican-controlled Budget Committee does the same thing to education as their figures on Medicare do to Medicare recipients and hospitals that primarily serve Medicare patients.

There will be a very similar amendment. I suspect that the debate will be very similar, perhaps, to what we are having today. That is the amendment that will follow.

Following that, the next amendment that we contemplate would trim back those Republican tax cuts just a little further, and devote those savings once again to eliminating the tax increase in the Republican budget on working families making less than $28,000 a year. Generally, that is referred to as the earned income tax credit. It has come up on several occasions during the debate in the last several hours.

Taken together, those amendments that I have just offered constitute a different vision for America. A different vision—again, not violating the basic principles of the budget brought by the Republican majority.

This Senator has commented previously—not only commented, but complimented especially Senator DOMENICI, who I know has worked very hard and very long on this proposition. I simply say to my good friend, ''You have done an overall very good job.'' Just please reason with this side and allow changes within the budget that has been submitted.

If we can come to that, we are going to have a much stronger bipartisan budget as it leaves the U.S. Senate than we would have had otherwise.

Our vision puts a higher priority on seniors—not eliminating any cuts but reducing the cuts. It does the same for working families. It does the same for education.

Together, these amendments define the difference, I suggest, the difference in the two parties with regard to priorities. As Harry Truman once said, ''With us as Democrats, the people come first.'' I wish we could do more, but we cannot. I believe the people of America are willing to join to make some very hard choices and to take some very painful cuts.

Once again, I emphasize in closing, Madam President, that all we are trying to do is to do some surgery on the Republican budget. Not violating, obviously, the basic principle; not violating balancing the budget by the year 2002; not violating the overall goals with regard to spending, the totals; not increasing the national debt. What we are trying to do in all good faith is to be joint partners, as the minority party, in making some changes that will allow many of us, with a lot of thought and consideration, to simply say to Senator DOMENICI and our friends on that side of the aisle: We will join with you in making these very painful choices, because we realize, we recognize, and we think it is a must to make some dramatic changes in what has taken place with wild-eyed spending and very high deficits over the last few years, starting back basically with the election of President Ronald Reagan as President of the United States.

So I simply say that we recognize the fault for this is not all on the Republicans, and it is certainly not all on the Democrats. We are in this boat together. I hope we can work in consort, in a bipartisan fashion, to begin to work our way out of it.

We do not believe any of the amendments we have offered thus far, or the amendments we will be offering before we go to the final debate and vote on the resolution itself, are anything other than reasonable priorities that we would like to reset and make some changes in, as advanced by the Republicans when they brought this budget to the floor of the U.S. Senate.

I thank the Chair and I yield the floor.

EXHIBIT 1

NEBRASKA ASSOCIATION OF HOSPITALS AND HEALTH SYSTEMS,
May 10, 1995.

Hon. J. JAMES EXON,
U.S. Senate, Washington, DC.

DEAR SENATOR EXON: On behalf of the 94 acute care hospitals in Nebraska, I wish to call your attention to a serious potential problem.

Clearly, the United States must work its way out of debt. To do that, Federal spending must be cut. It is my understanding that the Senate Budget Committee Chairman's mark is set an an overall reduction of $1.5 trillion by the year 2002. I further understand that in order to achieve a savings of that magnitude, Medicare is targeted for $256 billion reduction in spending over the same seven-year period.

Here's the problem. For fiscal year 1993 (FY '93) (the most current completed year), Nebraska hospitals had a net operating margin of −7.5 percent for care rendered to Medicare recipients. Based upon the Chairman's mark for Medicare spending, in the year 2000 Nebraska hospitals would have a net operating margin of −23 percent for Medicare patients. This figure is expected to improve by the year 2002 to a net operating margin loss of only 14.5 percent, because the reductions are ''front loaded.''

Putting this into financial terms, in FY '93 Nebraska hospitals lost $383 per case caring for Medicare patients. Based upon the Chairman's mark, in the year 2000 they would lose on average $1,339 per case and in 2002 they would lose $983 per case caring for Medicare patients. This is all compounded by the fact that Nebraska is a state with a higher proportion of elderly citizens in its population.

How can hospitals respond to the cuts of this magnitude? Hospitals are caught in a catch-22. They can: (1) shift more costs to the private sector—this is no longer a viable option in today's managed care environment; (2) slash wages and lay-off employees; (3) cut back on the scope of services provided—all of which threatens the quality of care, will close rural hospitals and restrict access. It is a lose-lose situation for community hospitals. Reimbursement reductions of this magnitude in a state with a disproportionate share of the elderly population, a state in which Medicare patients account for 60 to 70 percent of hospital admissions, clearly threatens the health care system upon which all of us depend.

Medicare needs to be fixed. There is an opportunity for Congress to change Medicare, but the change must be driven by sound health care policy, not budgetary or political imperatives. The Senate Budget Committee's proposed Medicare reductions would crush Nebraska hospitals.

As always, Nebraska's hospitals look to your leadership.

Sincerely,

HARLAN M. HEALD,
President.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, is the Chair personally on some serious time impediment at this point?

The PRESIDING OFFICER. No, the Senator may proceed.

Mr. DOMENICI. I will not take very much time. I have five or six unanimous-consent requests. I assume my colleague has cleared those?

Mr. EXON. I believe these requests have all been cleared.

I would like to ask, as long as we are in this, we are scheduled to come in at 8:30, is it, Monday?

Mr. DOMENICI. Right.

Mr. EXON. If I understand it right, when we close the business today there has been a joint agreement that we would either have used or have agreed to use 10 hours, is that right, today?

Mr. DOMENICI. Yes. Ten yesterday and ten today—twenty.

Mr. EXON. So when we start debate Monday morning we will have 30 hours left on the budget resolution, is that correct?

Mr. DOMENICI. Correct.

Mr. EXON. I thank my colleague.

Mr. DOMENICI. Madam President, let me just put in perspective where we are. It is amazing. I am not saying this is Senator EXON, but let me just see if I can put in perspective that side of the aisle, and what we have heard all day long and what we are going to hear for the next couple of days, on this side of the aisle.

Frankly, any time you try to reduce spending in any major area which is bankrupting the Government, you hear that you surely should not do that one because that is terribly important to everybody.

I am going to make an assumption for this RECORD, just to put in perspective where we are. First, we know Social Security is off this budget. It is going to continue and get its cost of living.

Let me assume that since Medicare, which is growing at 10 percent—there are many who say it should keep on growing at 10 percent, and I am sure in spite of the amendment that says we will take a little less than that, which is the Democrat amendment, there is an overwhelming number of Democrats who would say leave it like it is. It is very important. You cannot touch it. It has to grow at 10 percent.

Let it grow at 10 percent.

And then there are those who say, welfare? You can reform welfare but you are not going to save any money. OK, so we take that off. If we are not going to save any money, there is no use talking about it in the budget, right?

Then there is education. Even though we say wait until we debate it, Pell grants have been on this floor with three different speakers saying we abolish them. Madam President our assumption is that Pell grants go up $6.6 billion during the 7 years. How much is enough when you are bankrupt? How much is enough when you are $300 billion in debt here, in just a few years? That is the issue. What can you afford? Not what you like. Not what would be wonderful. Not what would be sensational for our people. Not what you can go home and brag to people we protected you.

Who protects the millions and millions of Americans and the young people from this debt that keeps going up? So we take out welfare. We cannot save any money. That is kind of the theory from the other side.

Earned income tax credit? We are destroying, we are cutting —raising people's taxes. Earned income tax credit, the fastest-growing program in the Tax Code, it is going to go up 40 percent in this budget. How much can we afford? Is 40 not enough? How much should it go up, 70? Why is that the case, when the country is borrowing the money to pay it back to people? Where do we stop? What is affordable?

And then, no offense but there are some who say we should not cut agriculture. Look, it is not a giant program and I am not saying Senator EXON said no cuts. But I am guaranteeing there is a very large contingency on that side that would say you cannot touch agriculture.

I am just going to do, for the Senate, in rough numbers, and for the people listening, I am going to take all those things off budget. OK? And I am going to try to get a balanced budget. So I am going to take off Medicare. I am going to take off Medicaid. We have heard an argument about Medicaid. Medicaid, 4 years ago, Madam President, because we changed the law and States found out rather quickly how to harvest the program—some say cheat, but some say harvest the program— so they found out how to harvest the program. Guess how much it went up?

Twenty-seven percent. The following year we were still at it out there in the States, 26-percent increase. And then it came down to 8, and then it went back to 10 and there it is.

Frankly, we have to leave that there because many on that side see as ruinous for America if you do not leave that program just like it is. But nobody says who is paying for it, right? We just sit around here and say we really need that. So that is another one.

I have added them up as best I can and here is where we would be. You have to pay the interest on the debt, I assume. OK? So we put that in.

I think we have, then, what is left on the table. I was almost going to say nothing, but I have to be honest. What is left on the table is $390 billion out of a $1.6 trillion deficit. So that is how this goes. We take one off but we only take it off because we argue it is so great. We do not understand how do you stop borrowing the money from our kids, taxing them without representation. We do not figure out how we do that. We just say we must keep this.

My staff has gone through and said, Senator, if there is $390 billion left, to get to balance what might we have to do? If people are worried about doing some draconian things, here is our best guess. Eliminate the Department of Defense, for starters. Eliminate the Department of State, Department of Justice, Department of Transportation. NASA is complaining. We did not cut NASA as much as the House in our recommendation, but they disappear under this scenario. Oh, actually, we do not think there is even a Department of Veterans left under this.

So the point is, no matter what you try to eliminate, no matter what you try to change, no matter what you try to reform, there are those who want to keep it all and at the same time say we are for a balanced budget.

You just cannot do it. And I have given an example today, rough as it is, do not hold me to it to the exact millions, but just hold me to it as a pretty good workmanlike approach to where we are. That is where we would be.

Now, I forgot to mention something. After we did all that, senior citizens, Medicare is on the road to bankruptcy, right? Because we just left it like it is. And leaving it like it is we are doing all these nice things that nobody wants to change, but it is going bankrupt.

So that is even an additional one to add to what we have done. Shame on us. Shame on us. As we say we are helping senior citizens, we want to leave it like it is. Many here want to leave it like it is because to try to find some way to reform it, manage it better, give seniors choice, somehow or another we are going to harm them, we are going to hurt them. To tell you the truth, what is really going to harm and hurt Americans is if we do not figure out some way to stop borrowing money. That is what is going to hurt America.

Now, my last observation about all of this is also something that I would like to quickly make. How many Americans are going to be harmed by our incessant borrowing of money? I believe the number is in the millions, for I believe they have already been hurt. I believe the huge debt we have today has already harmed the standard of living, the real paycheck of millions and millions and millions of Americans.

So one might say, who is really worried about the people? Is it those who talk about Federal programs that are worried about the people? Or is it those who talk about Federal programs that we could not pay for so we borrowed money so all the people get hurt? Who is for the people? I believe I know where I am, and I am very comfortable with it. I believe this budget is for the people of this country.

Now, my last observation about all this is just let us take an analysis of where our Democratic brothers are going to be Monday with their vote and in three successive votes after that. Let us just take a look for a minute. The Republicans produce a balanced budget. Here it is. Here it is, the Republican balanced budget. No help from the President. We produce it. No help from the Democrats. We produce it. We say to the American people we want to be leaders for making some hard choice. They do not. We do.

Now, what happens when we get it finished? The Congressional Budget Office says there is a high probability that when you get that done, you get an economic dividend. Some people are choosing to call it on this side the Domenici dividend, double D. I do not know what it is, whose it is, but it is reality. There is a benefit from balancing the budget. It is $170 billion more or less depending upon how it all turns out.

In a sense, it is looked at this way. After you balance the budget, interest rates come down, and they are down over the whole 7 years and you have a little dividend. Now, the entire package of Democratic amendments which you heard about today and you are going to hear about next week turns right around and says now that you have the dividend, spend it. That is the issue. Now that you have the dividend that may be there, turn right around, after all this effort, and take this contingency and start spending it again. And would that not be nice for the seniors if we really made Medicare solvent in the process?

But we have not. But we have not. But we are going to spend it again with no new plan for Medicare. Just put the issue off. Just put off the issue of rural hospitals, put off the issue of older hospital beds all across this Nation that we are not going to have one way or another in a few years because we have many hospitals at 50 percent occupancy, and we are kidding ourselves that they are going to be here for 5, 10, or 20 years.

So essentially, just so we put it all in perspective, these are the amendments of the Democratic Party. Spend the dividend that you earned for Americans, spend it, put it back in this ever-growing Federal budget that got us in this jam.

Republicans say something very different. We say if that occurs, if that benefit is forthcoming, that dividend, if it is forthcoming, we would like to give it back to the American people by way of a tax cut. It will be there only if we get a balance.

Frankly, I am convinced that at that point the American people earned it. They paid for all this budget. Middle-income Americans paid for most of it. And we in our budget say give back middle-income Americans a modest tax cut, perhaps the $500 per child tax credit. That may fit. Now, frankly, I believe that is a good game plan.

I want to just close. Again, there is nothing mean about this budget. There is plenty, plenty mean about saying we do not care about our children. We want to tax them without representation. It does not matter about the deficit because it is mean not to give the American people programs that we cannot afford. That is mean. To say to Americans we cannot afford the program, and therefore we must ask you to sacrifice, that is mean? I do not think so.

I think what is mean is not to ask that of our seniors, to not to ask that of Americans and to then say somebody else pays for it all. We are not quite sure who, but somebody else pays for it.

Frankly, the chairman of the Budget Committee in the House yesterday had it right. His one and only closing prop was a nice big picture with about 50 little children on it. That is what we ought to hold up here when we start voting on this and say, who is worried about them? Who is worried about them and their standard of living? And when they start working, that $100,000 of their income that has to come back to America to pay interest on the debt during their lifetimes, who is worried about that?

We welcome the debate. It will be a good debate next week. We will have some good amendments, too. And we will have some disagreements on our side of the aisle. Republicans are not all out of one mold. We will have some disagreements. But in the end, this is the year to make it right and we will do that.

Now, Madam President, I have a few unanimous-consent requests. First, I ask unanimous consent that when the Senate resumes consideration of the concurrent resolution on Monday, May 22, there be 30 hours of debate remaining under the statutory time limit.

Mr. EXON. No objection. We agree to that.

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

MORNING BUSINESS

Mr. DOMENICI. I ask unanimous consent there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes.

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

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Is there an objection?

Mr. EXON. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. But I will not object with this caveat, that the Senator from Nebraska, when we have finished the wrap-up procedures, would like to reserve 2 or 3 minutes as if in morning business.

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

Mr. DOMENICI. Will the Senator close the Senate down for us?

Mr. EXON. I will be happy to, Madam President.

Mr. CRAIG. Mr. President, I rise in support of Senate Concurrent Resolution 13, the fiscal year 1996 congressional budget resolution, as reported by the Senate Budget Committee.

What does this budget resolution do? More importantly than anything else, it provides for a balanced budget in 7 years.

This is the first-ever 7-year budget resolution, with the first-ever 7-year reconciliation instructions. It will produce, when it occurs in fiscal year 2002, the first balanced budget in 33 years. The last two balanced budgets were in 1969 and 1960.

In fiscal year 2002, under this budget, the accumulated national debt will be almost $1 trillion lower than under current law—or, less than $6 trillion, instead of more than $7 trillion.

That last fact is sobering—it reminds us that this budget is a good start, not the final victory, against the staggering debt load crippling our economy and stealing our children's future.

What does this budget resolution do? It reduces the rate of growth in Federal spending. Under this budget, spending still grows an average of 3-percent a year, down from the current 5.4 percent a year.

Only special interest groups and liberals inside the Capital Beltway can say a 3-percent raise is really a draconian cut.

Under this budget, total Federal spending in fiscal year 2002 will be $382 billion more than this year—fiscal year 1995.

Only in Washington, DC, does anyone claim that a $382 billion increase is really a $229 billion cut.

What does this budget resolution do? It delivers on the promise of the balanced budget amendment and those of us who supported it.

Back in January and February, some opponents—and a few supporters—of the balanced budget amendment said they wanted to see a plan for exactly how to balance the budget.

Well, here's our plan: Some of my colleagues may have a different plan, and I invite them to bring it forward. This may not be everyone's favorite plan, but it gets the job done in a fair, equitable way.

Now that those who demanded, ''Where's your plan?'' have been given a plan. I expect that 67th Senator should come forward and finally help us pass the balanced budget amendment.

What does balancing the budget mean in people terms? It means restoring the American dream of economic opportunity, starting now and extending to the next generation.

We're going to hear moans and complaints about budget cuts, but the cruelest cut of all is the cut in every American's living standard that has occurred because of Government's failure or refusal to balance the budget.

The damage done by the borrow-and-spend status quo must be undone. The Concord Coalition estimated that, without the Federal deficits and debt run up to date, the average family's income would be $50,000, instead of the current $35,000.

A study by the Federal Reserve Bank of New York showed that America lost 5-percent growth in GNP and 3.75 million jobs from 1978–89 because of deficits and debt.

Balancing the budget by fiscal year 2002 means a better future. The econometrics firm DRI/McGraw-Hill said it means: 4 to 5 percent more nonresidential investment; 2.5 million new jobs; a GDP that is 2.5 percent higher, and another $1,000 in the pocket of the average household.

GAO's 1992 report estimated that balancing the budget would raise our children's standard of living between 7 and 36 percent by the year 2020.

What does this budget resolution do? It fully protects Social Security. This budget makes absolutely no changes in the old age, survivors, and disability insurance [OASDI] trust funds, consistent with a number of current law protections, and consistent with the Dole motion passed during debate on the balanced budget amendment and the Kempthorne amendment adopted as part of S.1—the Unfunded Mandates Act.

This budget in no way loots Social Security. It protects it by reducing the pressure of future debts, and it strengthens our ability to keep promises to seniors.

It takes us two-thirds of the way to balancing the non-Social Security budget by fiscal year 2002. The Committee budget produces deficit reduction of $229 billion below current law in fiscal year 2002; the OASDI trustees project a $112 billion Social Security surplus for fiscal year 2002. Getting two-thirds of the way there is a lot better than the status quo.

If we just stay on the glide path established by this budget, we can go on to balance the non-Social Security budget by about fiscal year 2005. That's exactly the timing and the glide path suggested by Senator NUNN and others back during debate on the balanced budget amendment.

What does this budget resolution do? It reforms and rescues Medicare. Under this budget, Medicare increases an average of 7.1 percent a year—more than twice the rate of inflation. It defies common sense to call that a draconian cut.

Under this budget, Medicare spending will be $105 billion more in fiscal year 2002 than in 1995. Where are the slash and burn cuts?

Nothing here cuts services or drives up needy patients' costs. It calls for Medicare reform—that more choice and market competition and consumer information will slow down the runaway costs we see now. That's an appropriate goal to put in a budget resolution.

A vote for this budget is a vote to rescue Medicare. Under the status quo, that system goes broke in fiscal year 2002. Who says so? The Medicare Board of Trustees that includes three of President Clinton's Cabinet Secretaries, the Commissioner of Social Security, and two public trustees.

The trustees also said, in their April 3, 1995, report:

> The trust fund does not meet the trustees' short-range test of financial adequacy * * * It fails to meet the trustees' test of long-range close actuarial balance * * * by an extremely wide margin * * * Congress must take timely action to establish long-term financial stability for the program.

Mr. President, I also rise in strong opposition to the Lautenberg-Rockefeller amendment that would raid Medicare. The amendment would take $100 billion of the $170 billion economic dividend created by lower interest rates resulting from deficit reduction and add that back to Medicare spending.

Make no mistake, this amendment is the proposal that would raid Medicare. All it does is spend down the Medicare trust fund faster than the committee's budget.

This amendment is another example of status quo tunnel vision. The committee's budget assumes that we fix Medicare, reform it. That means seniors who need Medicare won't be hurt, they'll participate in an improved system.

This amendment assumes there is no alternative to the current policies that are rapidly driving Medicare bankrupt. The House's majority whip, Representative DELAY, said it well the other day: It's like one side is talking about a cure for cancer and the other side can't think about anything but chemotherapy.

We want Medicare to continue to be there and to start working better for seniors today and tomorrow. If we do what's best for Medicare and for our seniors, the numbers will come out the way the committee's budget says.

We still need the balanced budget amendment to the Constitution. The budget resolution currently before us provides for a balanced budget in 7

years. That gives some Members of Congress and the special interest groups 6 years and three elections to try and knock us off track.

Can we balance the budget without the balanced budget amendment? The first Republican Congress in 40 years is proving we can, but ''can'' is no guarantee. If future Congresses continue on the path set out in this resolution, the result still will be only one balanced budget in 33 years.

Hitting a target once in 33 years that we ought to hit in all but the most extreme circumstances, is not an endorsement of life without the balanced budget amendment.

IN MEMORY AND IN HONOR OF FALLEN ARIZONA LAW ENFORCEMENT OFFICERS

Mr. KYL. Mr. President, this year's National Law Enforcement memorial service had great meaning and was filled with sadness for the citizens of Arizona. Over the past year, four Arizona law enforcement officers were killed in the line of duty. The seventh annual memorial service and candlelight vigil held here in Washington, DC, this week provided an opportunity to remember these dedicated officers and the contributions they made to the people of Arizona.

I had the privilege of visiting with two of the families of these men this week. The loss they have experienced is still very painful for them. But, they know that the death of their loved ones was not in vain. They died to ensure that others could live—safely. These men provide an example of the dedicated service that all other law enforcement officers in Arizona should strive to achieve.

Each of them made a unique contribution to Arizona. They all played a significant role in working toward a safer and stronger State and Nation.

Mesa Police Officer Steven Paul Pollard died on November 27, 1994, when he was struck by a car and killed while conducting a DUI traffic stop in the emergency lane of U.S. 60 in Mesa. As Steve stood by the driver's door of his vehicle, a motorist traveling eastbound apparently fell asleep and drove his vehicle off the roadway striking Steve and the police vehicle. He died instantly.

Steve was born July 5, 1968, in Phoenix to Steven and Ida Garcia. He went to Starlight Elementary, Estrella Junior High, and Trevor Brown High School. He graduated in 1986. Steve had worked for the department of corrections before joining the Mesa Police Department. That was the career he wanted all of his life, and he died doing the job he always dreamed of doing. Steve is remembered as man who would go beyond the call of duty to help others. No job was ever too big or too small for Steve.

Steve is survived by his mother and father, Richard and Ida Pollard; is brother and sister, Ruben and Angie; and his wife and daughter, Kimber and Celine.

Wildlife Manager Estevan Escobedo, who had been with the Arizona Game and Fish Department for 9 years, was killed in a fiery helicopter crash near Coolidge Dam on January 4, 1994. He and three other officials, who survived the crash, were on a routine assignment to count javelina in a rugged canyon near Winkelman. The area was part of Estevan's district, based in Globe. Estevan was the first law enforcement officer killed in the line of duty in 1994. It was the first aircraft accident involving a fatality for the department since 1980.

Estevan graduated from Westwood High School and Arizona State University. Away from his duties as a wildlife manager, Estevan participated in rodeo events such as calf roping. He was a partner, confidant, and adopted brother to his rodeo buddies.

Estevan is survived by his mother and a twin brother. He is remembered as a carefree, joyous bother, son, and friend, equipped with a playful sense of humor and a sense of duty that led him to give lovingly of his time and energy. Those who knew him say that Estevan had a smile that will last forever in the memories of those whose lives were touched by him.

Sergeant Patrick (Pat) Riley died on March 11, 1994. He was struck by a truck while directing traffic at a construction site. He died approximately 2 hours later.

Pat joined the Maricopa County Sheriff's Office as a detention officer in 1983. A year later, he applied for and was accepted as a deputy sheriff. He spent 4 years in various positions as a deputy, ranging from a beat deputy to detective, culminating his assignment to major felonies as a homicide detective. During this period, he was nominated for the ''Deputy of the Year'' commendation in 1990. He received the B.P.O.E. ''Americanism Award'' in 1991, which was presented by Gov. Rose Mofford. Pat was promoted to sergeant in September 1992 and served in assignments at the general investigations division, detectives, and in patrol. He also received the highly coveted ''Distinguished Service Award'' in 1994.

Pat was one of the lead investigators in the Temple homicide case, in which eight Buddhist monks and two apprentices were murdered.

Pat married Laurie Davis in February 1987. After a courtship of love, he leaves behind his wife and no children.

Sergeant Patrick Devon Thompson died on September 2, 1994. While on duty, Sergeant Thompson lost control of his police vehicle, collided with an oncoming car, and died instantly.

Sergeant Thompson served with the Santa Cruz County Sheriff's Office since 1978. He is remembered by colleagues as honest, loyal, reliable, caring, and trustworthy. He was also very generous with his time, especially with the youth of Santa Cruz County. They respected and admired him. He was near death in 1991, but had a tremendous will to live, and he survived. A second chance can be a wonderful gift, and Pat realized this and approached his life with a new vigor, a new determination. His last 3 years were dedicated to undertaking new challenges and to helping children, especially through the D.A.R.E. Program. Pat encouraged the D.A.R.E. kids to live a clean and healthy life.

Sergeant Thompson is survived by his mother, wife, sons, and daughters.

Mr. President, it is an honor for me to remember Sergeants Thompson and Riley, Officer Pollard, and Wildlife Manager Escobedo. They served their organizations with distinction and with honor. We will never forget their sacrifice; we will always remember their spirit.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES

Mr. HELMS. Mr. President, on the evening I learned I had been elected to the Senate in 1972, one of the commitments I made to myself was that I would never fail to see a young person or a group of young people who wanted to see me. It was certainly beneficial to me that I did because I have been inspired by the estimated 60,000 young people with whom I have visited during the nearly 23 years I have been in the Senate.

Most of them have been concerned about the magnitude of the Federal debt that Congress has run up for the coming generations to pay. The young people and I always discuss the fact that under the Constitution, no President can spend even a dime of Federal money that has not first been authorized and appropriated by both the House and Senate of the United States.

That is why I have been making these daily reports to the Senate since February 22, 1992. I want to make it a matter of record precisely the size of the Federal debt which as of Thursday, May 18, stood at $4,885,256,391,108.42 or $18,544.52 on a per capita basis.

What Congress has already done to future generations is immoral.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

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–919. A communication from the Acting Director of Intelligence, transmitting, a draft of proposed legislation to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the United States Government and the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Committee on Intelligence.

EC–920. A communication from the Attorney General of the United States, transmitting, pursuant to law, a report pursuant to the Intelligence Surveillance Act for calendar 1994; to the Committee on the Judiciary.

EC–921. A communication from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, the Agency's report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

EC–922. A communication from the Acting Assistant Attorney General, transmitting, a draft of proposed legislation to disapprove sentencing guideline amendments relating to cocaine base and money laundering; to the Committee on the Judiciary.

EC–923. A communication from the Vice President of Government and Public Affairs, Amtrak, transmitting, pursuant to law, a report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

EC–924. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the Department's annual report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

EC–925. A communication from the Freedom of Information Officer, Environmental Protection Agency, transmitting, pursuant to law, the Agency's report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

EC–926. A communication from the Chairman of the Farm Credit System Insurance Corporation, transmitting, pursuant to law, the Corporation's annual report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–129. A resolution adopted by the House of the Legislature of the State of Alaska; to the Committee on Foreign Relations.

''HOUSE RESOLVE NO. 8

''Whereas the International Maritime Organization (IMO), an organization under the auspices of the United Nations, is currently drafting proposals for an international treaty adopting and expanding insurance indemnity provisions for seaborne commodities; and

''Whereas, in contrast to existing maritime classifications and the policies and regulations of the United States Department of Transportation and the United States Coast Guard, the IMO proposes classifying coal as a hazardous and noxious material; and

''Whereas there is no rational reason or precedent for classifying coal as a hazardous or noxious material and the current maritime insurance has, without exception, adequately provided insurance indemnity for seaborne coal shipping; and

''Whereas action classifying coal as a hazardous or noxious material could significantly increase insurance rates and the delivered cost of coal to the benefit of competing fuel sources; and

''Whereas this action would dramatically reduce the competitiveness of coal as an import fuel and reduce the amount of exported coal from countries such as the United States; and

''Whereas this action would reduce the potential for the export of Alaska coal; and

''Whereas the National Coal Association, the United States Coal Exporters Association, and the Alaska Coal Association, together with labor organizations, adamantly oppose the IMO proposal; and

''Whereas it is critical that United States Government representatives to the IMO convention oppose the classification of coal as a hazardous or noxious material; be it

''*Resolved*, That the House of Representatives respectfully urges the United States Senate not to ratify a Hazardous and Noxious Substance Convention proposed by the International Maritime Organization that includes coal as a designated hazardous or noxious material.

''Copies of this resolution shall be sent to the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Bob Dole, Majority Leader of the U.S. Senate; the Honorable Strom Thurmond, President Pro Tempore of the U.S. Senate; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.''

POM–130. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Foreign Relations.

''HOUSE CONCURRENT RESOLUTION 2004

''Whereas, since 1949. China has been a divided nation, with the government of the Republic of China on Taiwan and the People's Republic of China on the Chinese mainland exercising exclusive jurisdiction over separate parts of China. The government of Taiwan further acknowledges that two equal and distinct political entities exist within the divided China. United Nations General Assembly Resolution 2758, which in 1971 restored to the People's Republic of China its seat in the United Nations while expelling the Republic of China on Taiwan, does not provide a complete solution to the issue of China's seat in the United Nations that resulted from this division of China; and

''Whereas, Taiwan's twenty-one million people enjoy a multiparty, democratic form of government, the policies of which conform to those of other democratic nations; and

''Whereas, during the past decade, Taiwan has assumed regional and global responsibilities in international development programs and humanitarian relief operations. Taiwan often has closely coordinated its efforts in responding to international disasters and crises and in undertaking programs of assistance for less-developed nations with those of the United States. Taiwan clearly has shown its willingness to assume a direct role in contributing to the well-being of the global community; and

''Whereas, Taiwan has joined several important multilateral organizations in recent years, including Asia/Pacific Economic Cooperation (APEC) and the Asian Development Bank. The United States has supported the admission of Taiwan into these organizations; and

''Whereas, Taiwan is currently the fourteenth largest trading nation in the world and its gross national product is the world's twentieth largest. Its annual per capital income exceeds ten thousand dollars in United States currency, its foreign exchange reserves exceed eighty billion dollars in United States currency and it has become the world's seventh largest outbound investor; and

''Whereas, the government of Taiwan has initiated a campaign to pursue a seat in the United Nations without threatening the current position of the People's Republic of China in this organization. Several other countries have expressed their support of Taiwan's efforts in this capacity by urging the United Nations to consider the exceptional situation of Taiwan in the international community. Taiwan's membership in the United Nations would conform with the established pattern of parallel representation by divided countries as well as with the principle of universality, whereby all people can be represented in this world organization. Furthermore, the participation of Taiwan in the United Nations would contribute to the peace and stability of the Pacific region and therefore to the interests of the United States; and

''Whereas, the fifth-largest foreign market for Arizona products in 1993, Taiwan enjoys a friendly commercial relationship with the state of Arizona and last year received $477 million in Arizona exports. Recognizing the importance of trade with Asia and particularly with Taiwan, the Arizona Department of Commerce established the Arizona Asian-Pacific Trade Office in Taipei, Taiwan to help Arizona's exporting companies conduct business in Asia and to strive to increase foreign investment in this state. Arizona is strongly committed to encouraging awareness of both the commercial and cultural benefits of Taiwan, as demonstrated by the recent Multi-State Trade Days mission, in which the Arizona Department of Commerce recruited companies to promote their products in such overseas locations as Kaohsiung, Taiwan, and the activities of the Phoenix Sister Cities Commission, established in 1975 to help promote student exchanges and cultural and business ties with sister cities such as Taipei, Taiwan: Therefore, be it

''*Resolved by the House of Representatives of the State of Arizona, the Senate concurring:*

''1. That the Members of the House of Representatives express their support of the broader participation of Taiwan in the United Nations and in the international community, and in so doing, encourage the people of this state and country to recognize the mutual benefits of our ongoing commercial relationship with Taiwan.

''2. That the Secretary of State of the State of Arizona transmit a certified copy of this Resolution to the Speaker of the United States House of Representatives, to the President of the United States Senate, to the Secretary-General of the United Nations, to the United States Trade Representative and each member of the Arizona Congressional delegation.''

POM–131. A resolution adopted by the Senate of the Legislature of the Commonwealth of Massachusetts; to the Committee on Foreign Relations.

''SENATE RESOLUTION

''Whereas, the extermination of the more than one and one-half million Armenians by the Ottoman Turks and the forced deportation of countless others has been remembered every year on April twenty-fourth since Nineteen Hundred and Fifteen as Armenian Martyrs Day; and

''Whereas, eighty years ago Armenians were forced to witness the slaughter of their relatives and the loss of their ancestral homeland; and

''Whereas, modern Turkey continues to deny and distort the facts of the genocide and honors the perpetrators of the crime against humanity as national heroes; and

''Whereas, the continued denial of the Armenian genocide by the present-day Turkish Government deprives the Armenian people full recognition of this tragic chapter in their history; and

''Whereas, the Armenian people have not received reparations for their losses; and

''Whereas, ancestral Armenian lands have not been returned to the Armenian people; Now therefore be it

''*Resolved*, That the Massachusetts Senate hereby joins in commemorating this eightieth anniversary of the Armenian genocide on April twenty-fourth, Nineteen Hundred and Ninety-Five and urges the citizenry of the Commonwealth of Massachusetts to do the same; and be it further

''*Resolved*, That the Massachusetts Senate respectfully calls on the President of the United States to request the Turkish Government to acknowledge the genocide perpetrated against the Armenians in 1915–1923; and be it further

''*Resolved*, That a copy of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States.''

POM–132. A concurrent resolution adopted by the General Assembly of the State of Indiana; to the Committee on Foreign Relations.

''HOUSE CONCURRENT RESOLUTION NO. 71

''Whereas, China has been a divided nation since 1949, and the governments of the Republic of China on Taiwan (hereinafter cited as ''Taiwan'') and the People's Republic of China on Mainland China (hereinafter cited as ''Mainland China'') have exercised jurisdiction over separate parts of China;

''Whereas, Taiwan has the 19th largest gross national product in the world, strong and vibrant economy, and one of the largest foreign exchange reserves of any nation;

''Whereas, Taiwan has dramatically improved its record on human rights and routinely holds free and fair elections in a multiparty system, as evidenced most recently by the December 3, 1994 balloting for local and provincial officials;

''Whereas, The 21 million people on Taiwan are not represented in the United Nations and their human rights as citizens of the world are therefore severely abridged;

''Whereas, Taiwan has in recent years repeatedly expressed its strong desire to participate in the United Nations;

''Whereas, Taiwan has much to contribute to the work and funding of the United Nations;

''Whereas, Taiwan has demonstrated its commitment to the world community by responding to international disasters and crises such as environmental destruction in the Persian Gulf and famine in Rwanda by providing financial donations, medical assistance, and other forms of aid;

''Whereas, The world community has reacted positively to Taiwan's desire for international participation, as shown by Taiwan's continued membership in the Asian Development Bank, the admission of Taiwan into the Asia-Pacific Economic Cooperation group as a full member, and the accession of Taiwan as an observer at the General Agreement on Tariffs and Trade as the first step toward becoming a contracting party to that organization;

''Whereas, The United States has supported Taiwan's participation in these bodies and indicated, in its policy review of September 1994, a stronger and more active policy of support for Taiwan's participation in other international organizations;

''Whereas, Taiwan has repeatedly stated that its participation in international organizations is that of a divided nation, with no intention to challenge the current international status of Mainland China;

''Whereas, The United Nations and other international organizations have established precedents concerning the admission of separate parts of divided nations, such as Korea and Germany; and

''Whereas, Taiwan's participation in international organizations would not prevent or imperil a future voluntary union between Taiwan and Mainland China any more than the recognition of separate governments in the former West Germany and the former East Germany prevented the voluntary reunification of Germany. Now, therefore, be it

''*Resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

''Section 1. Taiwan deserves full participation, including a seat in the United Nations, and the government of the United States should immediately encourage the United Nations to establish an ad hoc committee for the purpose of studying membership for Taiwan in that organization and its related agencies.

''Section 2. The Principal Clerk of the House of Representatives is directed to transmit a copy of this resolution to the President of the United States, the Speaker of the United States House of Representatives, and the United States Senate Majority Leader.''

POM–133. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on the Budget.

''HOUSE JOINT MEMORIAL 4029

''Whereas, A safe and efficient national transportation system is essential to the nation's international competitiveness; key to domestic productivity; and vital to our quality of life; and

''Whereas, despite the transportation investments promised in the enactment of the Intermodal Surface Transportation Efficiency Act (ISTEA), Congress has yet to fully fund the authorizations it contains for highways and transit; and

''Whereas, The current levels of federal funding for the nation's highway and public transportation systems are inadequate to meet rehabilitation needs, to ensure the safety of the traveling public, to begin solving congestion and rural access problems, to conduct adequate transportation research programs, and to keep America competitive in world economy; and

''Whereas, The Federal motor fuel tax and aviation fuel tax have traditionally been regarded as user fees paid by transportation users, the proceeds of which are and will continue to be required to help meet America's transportation requirements; and

''Whereas, The action to divert transportation user fees from documented transportation needs was taken by Congress despite strong support for placing the revenue in the Highway Trust Fund from the National Governors' Association, the United States Conference of Mayors, and the American Association of State Highway and Transportation Officials, in addition to many industry and transportation user organizations; and

''Whereas, Use of the transportation fuel taxes for deficit reduction purposes places the burden of reducing the deficit on industry and individuals based predominantly on how many miles they travel, without taking into account their ability to pay; and because of the long distances that must be driven by many people and industries in some states as opposed to other states, great inequities are inherent in any proposal to utilize motor fuel taxes for deficit reduction purposes; and

''Whereas, Including of the transportation trust funds in the Unified Federal Budget subjects transportation programs to arbitrary expenditure ceilings, despite the fact that trust fund expenditures are fully financed by users, and do not contribute to the federal deficit; and

''Whereas, In recent years the imposition of such budgetary limitations has resulted in a substantial build up of revenue in the trust funds, while states and local agencies have received less federal funding than authorized and available, and as a consequence, the nation's transportation needs are being inadequately addressed: Now, therefore,

''Your Memorialists respectfully urge Congress to:

''(1) Invest the resources in the nation's transportation system needed to enable economic competitiveness and job creation, as a minimum by fully funding at the earliest possible time the ISTEA highway and transit authorizations;

''(2) Recognize and reaffirm the traditional user-fee principle that has sustained the development of the national transportation system for more than 70 years, by reserving the transportation user fees now being collected for deficit reduction solely for future transportation purposes; and

''(3) Act expeditiously to remove the Highway Trust Fund and Airport and Airway Trust Fund from the Unified Federal Budget, be it

''*Resolved*, That copies of this Memorial be immediately transmitted to the President and the Secretary of the United States Senate, to the Speaker and the Clerk of the United States House of Representatives, and to each member of this state's delegation to Congress.''

POM–134. A concurrent resolution adopted by the General Assembly of the State of Iowa; to the Committee on Commerce, Science, and Transportation.

''SENATE CONCURRENT RESOLUTION NO. 11

''Whereas, Amtrak, the national railroad passenger corporation providing national railroad passenger service, is energy efficient and environmentally beneficial, consuming about half as much energy per passenger mile as an airline and causing less air pollution; and

''Whereas, Amtrak provides mobility to citizens of many smaller communities poorly served by air and bus services and to those persons with medical conditions which prevent them from flying; and

''Whereas, Amtrak is nine times safer than driving a motor vehicle on a passenger mile basis, and operates even in severe weather conditions; and

''Whereas, Amtrak travel rose forty-eight percent from 1982 to 1993 and Amtrak dramatically improved coverage of its operating costs from revenues; and

''Whereas, expansion of Amtrak service by using existing rail rights-of-way would cost less and use less land than new highways and airports and would further increase Amtrak's energy efficiency advantage; and

''Whereas, federal investment in Amtrak has fallen in the last decade while it has risen for airports and highways; and

''Whereas, Amtrak pays a fuel tax that airlines do not pay; and

''Whereas, Amtrak workers and vendors pay more in taxes than the federal government invests in Amtrak: Now therefore, be it

''*Resolved by the Senate, the House of Representatives concurring*, That the President of

the United States and the Congress are urged to do the following:

''1. Maintain the current level of Amtrak funding.

''2. Exempt Amtrak from paying fuel taxes that airlines do not pay.

''3. Include a strong Amtrak system in any plans for a national transportation system: be it further

''*Resolved*, That copies of this Resolution be sent to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representations, and members of Iowa's congressional delegation.''

POM–135. A resolution adopted by the Senate of Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources.

''SENATE RESOLUTION NO. 21

''Whereas, H.R. 602, Title III, if enacted, would grant the State of Hawaii concurrent jurisdiction over Baker Island, Jarvis Island, Johnston Atoll, Kingman Reef, Howland Island, the Midway Islands, and Palmyra Atoll, to the same extent as and in the same manner that such jurisdiction applies to all other areas within the State of Hawaii; and

''Whereas, all of these areas have historical links to the State of Hawaii, the Territory of Hawaii, and the Kingdom of Hawaii, and are either part of the Hawaiian Archipelago or are within the same relative distance as the distant islands of the State; and

''Whereas, no rights or liabilities of title or ownership are transferred to Hawaii as a result of this Act; and

''Whereas, the people of Hawaii have demonstrated, by their wise governance and stewardship of the ocean resources of the Hawaiian Archipelago, both living and non-living, their desire to insure wise management and careful preservation of the ocean environment; and

''Whereas, Hawaii's political, economic, and social destiny has been linked, historically, to the ocean environment and its resources, and Hawaii's people, from the early Polynesian voyagers who discovered these islands nearly two thousand years ago, to Hawaii's present-day citizens, represent one of the great oceanic societies of globe; and

''Whereas, Hawaii's future, now as in the past, is linked to its surrounding seas and its freedom to make wise use of them; and

''Whereas, the joint exercise of concurrent jurisdiction over these islands and atolls will undoubtedly devolve to great benefit to the strategic interests of both the State of Hawaii and the United States of America; and

''Whereas, the Omnibus Territories Act, H.R. 602, grants the Governor of the State of Hawaii authority to accept or refuse jurisdiction over these areas, with no time limitation imposed on this decision: Now, therefore, be it

''*Resolved by the Senate of the Eighteenth Legislature of the State of Hawaii*, Regular Session of 1995, that the United States Congress is respectfully urged to enact H.R. 602 as it pertains to allowing Hawaii to assume jurisdiction over these islands and atolls; and, be it further

''*Resolved*, That certified copies of this Resolution be transmitted to Hawaii's Congressional Delegation, the Speaker of the United States House of Representatives, and the President of the United States Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

H.R. 101. A bill to transfer a parcel of land to the Taos Pueblo Indians of New Mexico (Rept. No. 104–85).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry:

Eugene Branstool, of Ohio, to be a member of the Board of Directors of the Federal Agricultural Mortgage Corporation.

Karl N. Stauber, of Minnesota, to be Under Secretary of Agriculture for Research, Education, and Economics.

Karl N. Stauber, of Minnesota, to be a member of the Board of Directors of the Commodity Credit Corporation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. THURMOND, from the Committee on Armed Services:

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the RECORDS of March 23, March 30, April 3, April 24, and May 2, 1995, 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 RECORD of March 23, and 30, April 3, and 24, and May 2, 1995, at the end of the Senate proceedings.)

*Lieutenant General Billy J. Boles, USAF to be general (Reference No. 200)

*Vice Admiral Donald F. Hagan, USN to be placed on the retired list in the grade of vice admiral (Reference No. 203)

*Major General John C. Griffith, USAF to be lieutenant general (Reference No. 264)

*Lieutenant General Charles C. Krulak, USMC to be Commandant of the Marine Corps and for appointment to the grade of general (Reference No. 266)

**In the Army there are 53 promotions to the grade of major (list begins with John A. Adams) (Reference No. 276)

**In the Marine Corps there are 510 appointments to the grade of major and below (list begins with David F. Allen) (Reference No. 277)

*Major General Lloyd W. Newton, USAF to be lieutenant general (Reference No. 282)

**In the Air Force there are 6 appointments to the grade of second lieutenant (list begins with Robert D. Curry) (Reference No. 289)

**In the Army there are 6 promotions to the grade of lieutenant colonel and below (list begins with Russell R. Moores, Jr.) (Reference No. 290)

**In the Navy there are 41 appointments to the grade of lieutenant (list begins with Vanita Ahvja) (Reference No. 291)

**In the Navy there are 767 appointments to the grade of ensign (list begins with Charles S. Abbot) (Reference No. 292)

**In the Navy there are 1,271 appointments to the grade of ensign (list begins with Ryan D. Aaron) (Reference No. 293)

*Major General Leonard D. Holder, Jr., USA to be lieutenant general (Reference No. 299)

**In the Air Force Reserve there are 21 promotions to the grade of lieutenant colonel (list begins with Bradley C. Andreesen) (Reference No. 301)

**In the Air Force Reserve there are 22 promotions to the grade of lieutenant colonel (list begins with Jose T. Aguinega) (Reference No. 302)

*General Charles G. Boyd, USAF to be placed on the retired list in the grade of general (Reference No. 311)

*General John M. Loh, USAF to be placed on the retired list in the grade of general (Reference No. 312)

*Lieutenant General John S. Fairfield, USAF for reappointment to the grade of lieutenant general (Reference No. 315)

*Lieutenant General Carl G. O'Berry, USAF to be placed on the retired list in the grade of lieutenant general (Reference No. 316)

*Major General Eugene D. Santarelli, USAF to be lieutenant general (Reference No. 317)

*General Dennis J. Reimer, USA to be Chief of Staff of the Army and for reappointment to the grade of general (Reference No. 319)

*General Gordon R. Sullivan, USA to be placed on the retired list in the grade of general (Reference No. 333)

*Lieutenant General Marvin L. Covault, USA to be placed on the retired list in the grade of lieutenant general (Reference No. 334)

*Major General Robert E. Gray, USA to be lieutenant general (Reference No. 335)

*Lieutenant General John E. Miller, USA for reappointment to the grade of lieutenant general (Reference No. 336)

*Major General William G. Carter III, USA to be lieutenant general (Reference No. 337)

**In the Air Force Reserve there is 1 appointment to the grade of colonel (James C. Ingram, Jr.) (Reference No. 340)

**In the Army Reserve there are 20 promotions to the grade of colonel and below (list begins with James W. Clevenger, Jr.) (Reference No. 342)

**In the Marine Corps there are 125 appointments to the grade of second lieutenant (list begins with Stephen J. Acosta) (Reference No. 361)

Total: 2,860.

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. ROCKEFELLER (for himself and Mr. SIMPSON):

S. 831. A bill to amend the Internal Revenue Code of 1986 to clarify the tax treatment of certain contributions made pursuant to veterans' reemployment; to the Committee on Finance.

By Mr. GRAHAM:

S. 832. A bill to require the Prospective Payment Assessment Commission to develop separate applicable percentage increases to ensure that medicare beneficiaries who receive services from medicare dependent hospitals receive the same quality of care and

access to services as medicare beneficiaries in other hospitals, and for other purposes; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. DOLE, Mr. CAMPBELL, Mrs. FEINSTEIN, Mr. COHEN, Mr. COCHRAN, Mr. KYL, Mr. BENNETT, Mr. CRAIG, Mr. D'AMATO, Mr. BURNS, Mr. ROCKEFELLER, and Mrs. BOXER):

S. 833. A bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment; to the Committee on Finance.

By Mr. FAIRCLOTH (for himself, Mr. DOLE, Mr. LOTT, Mr. BROWN, Mr. BURNS, Mr. CRAIG, Mr. HATCH, Mr. HELMS, Mr. KEMPTHORNE, Mr. MCCONNELL, and Mr. THURMOND):

S. 834. A bill to restore the American family, reduce illegitimacy, and reduce welfare dependence; to the Committee on Finance.

By Mrs. HUTCHISON:

S. 835. A bill to provide for the operation of laboratories to carry out certain public-health functions for the region along the international border with Mexico, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. EXON:

S. 836. A bill to authorize appropriations for pipeline safety for fiscal years 1996, 1997, 1998, and 1999, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. WARNER (for himself and Mr. ROBB):

S. 837. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROCKEFELLER (for himself and Mr. SIMPSON):

S. 831. A bill to amend the Internal Revenue Code of 1986 to clarify the tax treatment of certain contributions made pursuant to veterans' reemployment; to the Committee on Finance.

THE VETERANS' REEMPLOYMENT RIGHTS ACT OF 1995

• Mr. ROCKEFELLER. Mr. President, I am today introducing, with the cosponsorship of my good friend from Wyoming, AL SIMPSON, chairman of the Senate Committee on Veterans' Affairs, legislation that involves a matter related to the Uniformed Services Employment and Reemployment Rights Act of 1994 [USERRA], Public Law 103–353. This landmark rewrite of a 1940's law, which provides employment protections to returning servicemembers, was derived from legislation reported by the House and Senate Veterans' Affairs Committees. There was one issue, however, related to USERRA which falls under the jurisdiction of the Finance Committee, a committee on which AL SIMPSON and I also serve. It was not possible to get this issue resolved last year before final passage of the USERRA legislation, and the bill we are introducing today would accomplish that goal.

Mr. President, the matter in question relates to provisions in USERRA which address a returning servicemember's rights to participate in the employer's pension plan and, more specifically, to the relationship between USERRA and the Internal Revenue Code. Under USERRA, it is possible that a pension plan, by seeking to comply with USERRA, could have to make payments on behalf of now returned servicemembers that could cause the plan to go out of compliance with the Internal Revenue Code [IRC] because of the total amount of payments made by the plan in a given year. Obviously, this is a result that is not intended and which should be avoided. The appropriate remedy—an amendment to the Internal Revenue Code—is in the jurisdiction of the Finance Committee, and thus the matter must be resolved in legislation developed by that committee.

Mr. President, so as to allow time for an amendment to the IRC to be considered, USERRA provides a 2-year period before compliance with the pension provisions in the new law would be required. As I noted during Senate debate last September on the final compromise of the USERRA legislation, it was my intention, which I communicated at the time to Senator MOYNIHAN in his then-role as chairman of the Finance Committee, to take the lead in the Finance Committee in proposing the appropriate amendment to the Internal Revenue Code as part of the first appropriate tax bill. I also indicated to Senator MOYNIHAN that, should such an amendment not be in law as the 2-year window provided in USERRA nears its end, I would work to amend USERRA so as to provide for a further delay in the effective date of the pension provisions.

Mr. President, our introduction of this bill today is the initial step in seeking to fulfill the pledges made last fall. I look forward to working with Senator SIMPSON and all the members of the Finance Committee on this legislation.

Mr. President, I ask unanimous consent that the text of the bill we are introducing be printed in the RECORD.

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

S. 831

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF CERTAIN CONTRIBUTIONS MADE PURSUANT TO VETERANS' REEMPLOYMENT RIGHTS.

(a) IN GENERAL.—Section 414 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(u) SPECIAL RULES RELATING TO VETERANS' REEMPLOYMENT RIGHTS.—

''(1) TREATMENT OF CERTAIN REQUIRED CONTRIBUTIONS.—If any contribution is made by an employer under an individual account plan with respect to an employee and such contribution is required by reason of such employee's rights under chapter 43 of title 38, United States Code, resulting from qualified military service—

''(A) such contribution shall not be subject to any otherwise applicable limitation contained in section 402(g), 403(b), 404(a), 408, 415, or 457, and

''(B) such plan shall not be treated as failing to meet any requirement of this part or section 457 by reason of the making of such contribution and such contribution shall not be taken into account in applying the limitations referred to in subparagraph (A) to other contributions.

For purposes of the preceding sentence, any additional elective deferral made under paragraph (2) shall be treated as an employer contribution required by reason of the employee's rights under such chapter 43.

''(2) REEMPLOYMENT RIGHTS WITH RESPECT TO ELECTIVE DEFERRALS.—

''(A) IN GENERAL.—If an employee is entitled to the benefits of chapter 43 of title 38, United States Code, with respect to any plan which provides for elective deferrals, such employer shall be treated as meeting the requirements of such chapter 43 with respect to such elective deferrals if such employer—

''(i) permits such employee to make additional elective deferrals under such plan (in the amount determined under subparagraph (B)) during the period which begins on the date of the reemployment and whose duration is the lesser of—

''(I) 5 years; or

''(II) 3 times the period of qualified military service which resulted in such rights; and

''(ii) makes a matching contribution in respect of any additional elective deferral made pursuant to clause (i) which would have been required had such deferral actually been made during the period of such qualified military service.

''(B) AMOUNT OF MAKEUP REQUIRED.—The amount determined under this subparagraph is the maximum amount of elective deferrals that the individual would have been permitted to make under the plan during his period of qualified military service if he had continued to be employed by the employer during such period and received compensation at the rate computed in accordance with section 4318(b)(3) of title 38. Proper adjustment shall be made to the amount determined under the preceding sentence for any elective deferrals actually made during the period of such qualified military service.

''(C) ELECTIVE DEFERRAL.—For purposes of this paragraph, the term 'elective deferral' has the meaning given to such term by section 402(g)(3); except that such term shall include any deferral of compensation under an eligible deferred compensation plan (as defined in section 457(b)).

''(3) LOAN REPAYMENT SUSPENSIONS PERMITTED.—If any plan suspends the repayment of any loan made to an individual for the period while such individual is performing qualified military service, such suspension shall not be taken into account for purposes of section 72(p).

''(4) QUALIFIED MILITARY SERVICE.—For purposes of this subsection, the term 'qualified military service' means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any individual if such individual is entitled to reemployment rights under such chapter 43, with respect to such service.

''(5) INDIVIDUAL ACCOUNT PLAN.—For purposes of this subsection, the term 'individual account plan' means any defined contribution plan and any eligible deferred compensation plan (as defined in section 457(b)).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 2, 1974, and shall apply to plans as if such amendment were enacted on such date as part of section 414 of the Internal Revenue Code of 1954.•

By Mr. GRAHAM:

S. 832. A bill to require the Prospective Payment Assessment Commission to develop separate applicable percentage increases to ensure that Medicare beneficiaries who receive services from Medicare-dependent hospitals receive the same quality of care and access to services as Medicare beneficiaries in other hospitals, and for other purposes; to the Committee on Finance.

THE MEDICARE DEPENDENT HOSPITAL RELIEF ACT OF 1995

• Mr. GRAHAM. Mr. President, I introduce timely legislation that addresses the problems of a special class of institutions—Medicare-dependent hospitals—that have Medicare patient loads of 60 percent or more. These hospitals, both rural and urban, have significantly higher Medicare losses and lower overall margins than other hospitals. This problem, particularly in light of Medicare payment reductions in this year's forthcoming budget reconciliation package, threatens the viability of these hospitals and the access to and quality of services to Medicare beneficiaries.

The legislation I am introducing in conjunction with my good friend, Florida Congressman CLAY SHAW, is called the Medicare Dependent Hospital Relief Act of 1995. The bill would simply require that the Prospective Payment Advisory Commission [ProPAC], in addition to its recommendations on payment rate updates for all hospitals, makes a separate recommendation on updates for Medicare-dependent hospitals. This recommendation would be required to be budget neutral.

In addition, the bill would require ProPAC's annual report to Congress to include recommendations ensuring that beneficiaries served by Medicare-dependent hospitals retain the same access and quality of care as Medicare beneficiaries nationwide.

The need for this legislation is rather simple. In 1992, ProPac estimates that Medicare payments were $11 billion below the level needed to fully cover the cost of treating Medicare beneficiaries. For the Nation's 1,400 Medicare-dependent hospitals, their high Medicare patient loads limits their ability to cost shift to other payors. In those hospitals with 80 percent Medicare patients, this is particularly difficult—if not impossible.

As the March 1995 ProPAC report notes:

> The ability to use cost shifting to fill the revenue gap where Medicare cost increases exceed payment increases varies across hospitals. Facilities that treat larger shares of Medicare, Medicaid and uninsured patients have a lesser ability to cost shift to the private sector. In view of growing price competition in the marketplace, these facilities will face a greater risk of declining margins, which eventually could threaten their financial viability and their ability to care for Medicare beneficiaries.

According to 1992 cost reports, profit margins for hospitals ranged from positive margins as great as 12 percent to losses of 17 percent. Medicare-dependent hospitals, on average, have margins 3 percent below the average Medicare margin. In effect, these hospitals would seem to pay a penalty for their service to the elderly.

In fact, due to low margins, limited ability to cost shift and payments from all payors ratcheting down, Medicare-dependent hospitals will have to either close or reduce services. In either case, the ultimate losers will be the Medicare beneficiaries these hospitals serve.

I urge my colleagues to support this legislation and ask unanimous consent to have the bill printed in the RECORD.

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

S. 832

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 ''Medicare Dependent Hospital Relief Act of 1995''.

SEC. 2. DEVELOPMENT OF SEPARATE APPLICABLE PERCENTAGE INCREASES FOR MEDICARE DEPENDENT HOSPITALS AND OTHER HOSPITALS BY THE PROSPECTIVE PAYMENT ASSESSMENT COMMISSION.

(a) DEVELOPMENT OF SEPARATE APPLICABLE PERCENTAGE INCREASES.—

(1) IN GENERAL.—The Prospective Payment Assessment Commission established under section 1886(e)(2) of the Social Security Act (42 U.S.C. 1395ww(e)(2)) (in this section referred to as the ''Commission'') shall, in accordance with paragraph (2), develop for fiscal year 1997 and each fiscal year thereafter separate applicable percentage increases described in section 1886(b)(3)(B) of such Act (42 U.S.C. 1395ww(b)(3)(B)) for medicare dependent hospitals and subsection (d) hospitals which are not medicare dependent hospitals.

(2) EQUALIZATION OF MEDICARE MARGINS.—The Commission shall develop separate applicable percentage increases under paragraph (1) such that, if such increases were in effect, the estimated average annual medicare margins of all medicare dependent hospitals in furnishing inpatient hospital services to medicare beneficiaries in such fiscal year would be equal to the average annual medicare margins of all subsection (d) hospitals which are not medicare dependent hospitals in furnishing inpatient hospital services to medicare beneficiaries in such fiscal year.

(3) BUDGET NEUTRALITY.—The Commission shall provide that the separate applicable percentage increases developed under paragraph (1) would, if in effect, not result in aggregate payments under section 1886 of the Social Security Act (42 U.S.C. 1395ww) to medicare dependent hospitals and subsection (d) hospitals which are not medicare dependent hospitals for the furnishing of inpatient hospital services in a fiscal year in excess of the aggregate payments under such section to such hospitals in such fiscal year if such increases were not in effect.

(b) REPORTS.—

(1) IN GENERAL.—Beginning in March 1996, the Commission shall, in each of the Commission's March reports to the Congress required under section 1886(e)(3) of the Social Security Act (42 U.S.C. 1395ww(e)(3)), include—

(A) the separate applicable percentage increases developed by the Commission under subsection (a)(1) for the upcoming fiscal year; and

(B) recommendations on methods to ensure that medicare beneficiaries who receive services furnished by medicare dependent hospitals have the same access and quality of care as medicare beneficiaries who are furnished services by subsection (d) hospitals which are not medicare dependent hospitals.

(2) ANNUAL REVIEW OF MEDICARE MARGINS.—The Commission shall develop the recommended methods under paragraph (1)(B) after annually reviewing the average medicare margins in medicare dependent hospitals and the impact of such medicare margins on the medicare dependent hospitals' overall profit margins.

SEC. 3. DEFINITIONS.

In this Act, the following definitions apply:

(1) MEDICARE BENEFICIARY.—The term ''medicare beneficiary'' means an individual who is entitled to benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.).

(2) MEDICARE DEPENDENT HOSPITAL.—The term ''medicare dependent hospital'' means any subsection (d) hospital—

(A) that is not classified as a sole community hospital under section 1886(d)(5)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(D)); and

(B) for which not less than 60 percent of its inpatient days were attributable to medicare beneficiaries during 2 of the last 3 preceding fiscal years for which data is available.

(3) MEDICARE MARGIN.—

(A) IN GENERAL.—The term ''medicare margin'' means for a fiscal year the ratio expressed as a percentage equal to—

(i) the difference between all medicare revenues paid to a hospital for the operating costs of inpatient hospital services in a fiscal year and all medicare program eligible expenses for such operating costs for such fiscal year (as shown by each hospital's HCFA 2552 report submitted annually to the Health Care Financing Administration); divided by

(ii) all medicare revenues paid to the hospital for the operating costs of inpatient hospital services for such fiscal year.

(B) OPERATING COSTS OF INPATIENT HOSPITAL SERVICES.—The term ''operating costs of inpatient hospital services'' has the meaning given such term in section 1886(a)(4) of the Social Security Act (42 U.S.C. 1395ww(a)(4)).

(4) SUBSECTION (D) HOSPITAL.—The term ''subsection (d) hospital'' has the meaning given such term in section 1886(d)(1)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)).•

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. DOLE, Mr. CAMPBELL, Mrs. FEINSTEIN, Mr. COHEN, Mr. COCHRAN, Mr. KYL, Mr. BENNETT, Mr. CRAIG, Mr. D'AMATO, Mr. BURNS, Mr. ROCKEFELLER, and Mrs. BOXER):

S. 833. A bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment; to the Committee on Finance.

THE SEMICONDUCTOR INVESTMENT ACT OF 1995

Mr. HATCH. Mr. President, I rise today to introduce the Semiconductor Investment Act of 1995. I am joined by Senators BAUCUS, DOLE, CAMPBELL, FEINSTEIN, COHEN, COCHRAN, KYL, BENNETT, CRAIG, D'AMATO, BURNS, ROCKEFELLER, and BOXER. This bill is designed to help the American semiconductor industry compete globally by shortening the depreciable life of semiconductor manufacturing equipment from 5 years to 3. Congresswoman NANCY JOHNSON of Connecticut has introduced identical legislation in the House of Representatives.

The U.S. semiconductor industry employs more than 200,000 Americans, sells over $40 billion of products annually, and currently controls 40 percent of the world market. Its products form the foundation of practically every electronic device used today. The American semiconductor industry is a success story because it has invested heavily in the most productive, cutting-edge technology available, and currently spends a full 25 percent of its revenues on capital investment. Unfortunately, Mr. President, our semiconductor industry is threatened.

While the equipment used to manufacture semiconductors has a useful life of only about 3 years, current tax depreciation rules require that cost of the equipment be written off over a full 5 years. The Semiconductor Investment Act would correct this flaw, Mr. President, by allowing equipment used in the manufacture of semiconductors to be depreciated over a more appropriate 3-year period. Given the massive level of investment in the semiconductor industry, accurate depreciation is critical to industry success.

The key reason for this 3-year depreciation period is that the equipment used to make semiconductors grows technologically obsolete more quickly than does other manufacturing equipment. Mr. President, recent research indicates that semiconductor manufacturing equipment almost completely loses its ability to produce sellable products after only 3 years. Today's 5-year period simply doesn't reflect reality. A quicker write-off period would help semiconductor manufacturers finance the large investment in equipment they need for the next generation of products.

The National Advisory Committee on Semiconductors reinforced this conclusion. Congress founded the committee in 1988, and it consisted of Presidential appointees from both the public and private sectors. In 1992, the committee recommended a 3-year depreciation period and stated that the shift from a 5-year to a 3-year schedule would increase the industry's annual capital investment rate by a full 11 percent.

By comparison, Japan, Taiwan, and Korea employ much more generous depreciation schedules for similar equipment, and all three nations provide stiff competition for America's semiconductor manufacturers. For example, under Japanese law, a company can depreciate up to 88 percent of its semiconductor equipment cost in the first year, while United States law permits a mere 20-percent depreciation over the same period. When multinational semiconductor firms are deciding where to invest, a depreciation gap this large can be decisive.

This legislation will help ensure that America's semiconductor industry retains its hard-earned preeminence, a preeminence that yields abundant opportunities for high-wage, high-skill employment. Mr. President, my home State of Utah, provides an outstanding example of the industry's job-creating capacity. Thousands of Utahns earn their living in the State's flourishing semiconductor industry. Firms such as Micron Technology, National Semiconductor, and Varian have reinforced Utah's strong position in high-technology industries. With the fair tax treatment this bill brings, all Utahns can look forward to a more secure and prosperous future.

Mr. President, the Semiconductor Investment Act of 1995 will help level the playing field between U.S. and foreign semiconductor manufacturers, and provides fair tax treatment to an industry that is one of the Nation's greatest success stories of recent years. I hope that my fellow Senators will join me in supporting this legislation. Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 833

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 ''Semiconductor Investment Act of 1995''.

SEC. 2. 3-YEAR DEPRECIABLE LIFE FOR SEMICONDUCTOR MANUFACTURING EQUIPMENT.

(a) IN GENERAL.—Subparagraph (A) of section 168(e)(3) of the Internal Revenue Code of 1986 (relating to classification of property) is amended by striking ''and'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', and'', and by adding at the end the following new clause:

''(iii) any semiconductor manufacturing equipment.''

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 168(e)(3) of the Internal Revenue Code of 1986 is amended by striking clause (ii) and by redesignating clauses (iii), (iv), (v), and (vi) as clauses (ii), (iii), (iv), and (v), respectively.

(2) Subparagraph (B) of section 168(g)(3) of such Code is amended by striking the following:

''(B)(ii) ..... 5''

and inserting the following:

''(A)(iii) ..... 3''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to equipment placed in service after the date of the enactment of this Act.

By Mr. FAIRCLOTH (for himself, Mr. DOLE, Mr. LOTT, Mr. BROWN, Mr. BURNS, Mr. CRAIG, Mr. HATCH, Mr. HELMS, Mr. KEMPTHORNE, Mr. MCCONNELL, and Mr. THURMOND):

S. 834. A bill to restore the American family, reduce illegitimacy, and reduce welfare dependence; to the Committee on Finance.

THE REAL WELFARE REFORM ACT OF 1995

Mr. FAIRCLOTH. Mr. President, before coming to the Senate I spent 45 years in the private sector meeting a payroll as a businessman and a farmer. Every year I watched as the Congress went into session and adjourned, leaving it more difficult for working taxpayers to make ends meet because of the out-of-control government spending programs that have put our country on the path to a fiscal disaster.

Of all the spending programs implemented by the Federal Government, I do not know of a group that has been a bigger failure than those collectively known as welfare. President Johnson's War on Poverty, although launched with good intentions, has failed. And in many ways it has made the plight of the poor worse instead of better.

The problem is not a lack of spending. Welfare spending has cost taxpayers $5.3 trillion in constant 1993 dollars since 1965, when the War on Poverty began. Currently, the Federal Government runs approximately 76 means-tested welfare programs, at a cost in 1994 of $350 billion. And this amount is projected to reach $538 billion by 1999 if current trends continue.

A simple commonsense principle has gotten our Nation and the poor into the present fix: You get more of what you pay for. And for the past 30 years we have subsidized and thus promoted self-destructive behavior like illegitimacy and family disintegration.

This explosion in entitlement spending has fueled an entitlement mentality. Millions of Americans live day after day, month after month and year after year on paychecks from the government and give nothing in return—except their assurance that they will stay poor, and continue to fuel the government poverty machine.

What is needed is a dramatic change, a reversal of the trends of the last 30 years.

Today, I intend to re-introduce a welfare reform bill similar to one which I introduced last year with Senator GRASSLEY and Senator BROWN. The bill has three central purposes: to reduce illegitimacy, promote work, and control the growth of welfare costs.

The bill will convert 67 means-tested welfare programs into a single block grant to the States. Spending on this block grant, and several other Federal programs, will be subject to an aggregate cap of 3 percent per year.

This single block grant will give States the flexibility to design programs which meet the specific needs of their poor citizens. If one State has had particular success with the Head Start Program, for example, and the State wanted to double the Head Start budget or triple it, they could do so, as long as the aggregate cap held growth to 3 percent.

Welfare should no longer be a one-way handout which destroys the desire of able-bodied people to work. Real reform would tansform welfare into a system of mutual responsibility in which welfare recipients who can work would be required to contribute something back to society in return for assistance given.

My proposal will require able-bodied welfare recipients to work in return for their benefits. By 1997, the second year after enactment, half of all welfare beneficiaries will be required to do

community service or to work in public or private sector jobs in return for their benefits.

This bill would target work requirements first on the most employable welfare recipients: single, able-bodied males, married couples receiving benefits, and single mothers of older children. The last group effected would be the least employable recipients: single mothers of preschool children. This avoids the extremely high cost of child care associated with putting these young mothers to work.

One of the most insidious aspects of the welfare system is its destructive effect on the family. Our welfare system tells a young unwed mother, in effect, that she can collect up to $15,000 per year in benefits as long as she does not work or marry an employed male. Under such conditions, it makes more sense to remain unmarried. Welfare has transformed the low-income working husband from a necessary breadwinner into a net financial handicap.

When the Great Society antipoverty programs were instituted in 1965, the out-of-wedlock birth rate in the United States was 7 percent. Thirty years later the rate has jumped to 30 percent. At this rate of growth it is projected to reach 50 percent by the year 2015, an alarming prospect by anyone's standards. Fifty percent, Mr. President. That means that, within just 20 years, half of all American children could be born to single women.

Real welfare reform must discourage destructive behavior and encourage constructive behavior. Starting prospectively 1 year after enactment, the bill would eliminate direct welfare subsidies—except medical aid—to unmarried women under age 21 who have children out of wedlock. State governments may use Federal block grant funds to develop alternative strategies for assisting children born out of wedlock. The bill also encourages marriage by providing a tax credit to low-income married couples with children where at least one parent is employed.

We all recognize the need, and share the desire, to reverse the corrupting incentives in our current welfare system. Welfare recipients must work for their benefits, and must not have children that they cannot support. This is the foundation on which real welfare reform rests, and welfare legislation that does not address both of these issues does not represent true reform.

Finally, the Senate will soon take up welfare reform, and we must be willing to make the kinds of tough decisions necessary to reduce illegitimacy and promote work, or we will condemn yet another generation to the crippling effects of welfare dependency. The current state of our welfare system demands that we take immediate action, but we must do so with a clear purpose, in mind.

By Mrs. HUTCHISON:

S. 835. A bill to provide for the operation of laboratories to carry out certain public-health functions for the region along the international border with Mexico, and for other purposes; to the Committee on Labor and Human Resources.

SOUTHWEST PUBLIC LABORATORY ACT

• Mrs. HUTCHISON. Mr. President, I introduce legislation that is critically needed along our southern border. The Southwest Public Health Laboratory Act was approved by the Senate last year as part of S. 1569, the Disadvantaged Minority Health Improvement Act. Unfortunately, Congress never completed action on S. 1569 and consequently the grave health and environmental risks along the United States-Mexico border continue to spread.

This legislation will allow for the establishment and operation of State health and environmental labs along the United States-Mexico border. The grants made available by this act will support and leverage the important laboratory work our border States are already providing. Currently, all the border States suffer from a critical shortage of environmental and occupational health monitoring. The laboratory services provided by this legislation will support both local and State health and environmental agencies. As population and commerce increases along the border as a result of our commitment to hemispheric free trade, the need for state-of-the-art laboratory capacity will only increase.

We have all seen the media accounts from California to New Mexico to Texas spotlighting the deplorable environmental conditions along the border. Beyond those television reports are millions of border residents, primarily minority, who are subject to health risks incumbent to these conditions.

We are already aware of some of these risks, such as polluted water sources, untreated sewage, and pesticides, but there are others we may not be aware of simply because there are not enough facilities to analyze them.

Let me give you an example of this problem from my home State of Texas. In the Lower Rio Grande Valley of Texas, researchers obtained samples of fish from nearby waterways, a regular staple of many local diets, and it was determined that the edible tissue of the fish contained an unacceptable amount of the highly toxic chemical PCB. After further analysis, the Texas Department of Health promptly issued an advisory strongly recommending that fish taken from the waterways and reservoirs in the area may not be eaten.

Of course, this discovery and analysis was given prompt attention. However, there are many potential risks along the border that are going unchecked. There simply is more work of that nature in the United States-Mexico border area than there are facilities to do it. There is an intolerable potential cost—the health of the citizens in the border area. So Federal support will mean badly needed improvement in the border States' abilities to respond to the health and environmental risks facing all citizens.

I urge my colleagues to support this important legislation that is critical to the health of citizens not only along the southern border but also across the United States. The health and environmental problems along the border do not check with customs or immigration before crossing the border. The Southwest Border Health Laboratory is an essential component in battling these risks before they have a chance to spread beyond the border.•

By Mr. EXON:

S. 836. A bill to authorize appropriations for pipeline safety for fiscal years 1996, 1997, 1998, and 1999, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE PIPELINE SAFETY ACT OF 1995

• Mr. EXON. Mr. President, I am pleased to introduce by request the administration's proposed pipeline safety bill.

This legislation builds on a continuing record of success that administrations of both parties and the Congress have made in ensuring the safe operation of America's vast network of natural gas, petroleum, water, and other types of pipelines.

Pipeline safety is one of the lesser known, but more important responsibilities of the Senate Commerce Committee. As a former chairman of the Senate Surface Transportation Subcommittee I am proud of the progress we have made in advancing safety. With this legislation, the Congress can open a new chapter of safety.

This legislation gives the Secretary of Transportation authority to make grants to States to encourage the adoption of effective comprehensive one-call legislation. It also authorizes the Secretary to enter into cooperative agreements with the private sector to bring new efficiencies to pipeline safety research, risk assessment, and mapping.

In a time of tight budgets, the bill also introduces the concept of risk management to pipeline safety activities. With fewer dollars available the Congress must be certain that we get the most bang for the buck or more appropriately, in the area of energy pipeline safety, we need to get no bang for the buck.

Mr. President, as a member of the subcommittee with jurisdiction over this important legislation, I want to mention some areas of concern which I would like our committee to address. In the area of mapping of pipeline locations, the Congress must assure that public and private funds are not wasted on duplicative efforts. The Government's mapping needs must be better coordinated with the private sector and existing mapping operations within the U.S. Government. There is no need to reinvent the wheel when it comes to pipeline mapping.

I am also concerned about the way pipeline safety user fees are calculated

for natural gas suppliers in rural areas. The Federal Energy Regulatory Commission [FERC] maintains a fee schedule for their activities which more fairly takes into account the risk, volume, and economics of serving rural areas. I have urged the Department of Transportation to consider the FERC schedule and its appropriateness for their operations.

Finally, Mr. President, I am committed to enacting a meaningful comprehensive one-call bill. Last year I was pleased to propose a compromise and work with Senators BRADLEY and LAUTENBERG to enact comprehensive one-call legislation. Meaningful call-before-you-dig programs will save lives, dollars, and productivity. I would certainly support the addition of the Bradley-Exon bill to this legislation. That bill represents the one-call compromise worked out last year.

Mr. President, I look forward to the swift enactment of pipeline safety legislation this year and ask unanimous consent that the text of the bill and a section-by-section analysis prepared by the Department of Transportation be included in the RECORD.

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

S. 836

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 ''Pipeline Safety Act of 1995.''

SEC. 2. AMENDMENT OF TITLE 49, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

TITLE I—PIPELINE SAFETY AMENDMENTS

SEC. 101. RISK MANAGEMENT.

Chapter 601 is amended by adding at the end the following new section:

''§ 60126. Risk Management

''(a) The Secretary shall, based on information collected and maintained by the Secretary, conduct an assessment of the risk to public safety and the environment posed by pipeline transportation. The assessment shall—

''(1) rank the risks identified by the Secretary in terms of their probability of occurrence and their likely consequences, and any other factors the Secretary considers relevant;

''(2) identify, in priority order, technically feasible and economically justified actions that should be taken to lessen the risks identified; and

''(3) address, at a minimum, the following subjects:

''(A) Inspection by internal instrumented devices.

''(B) Hydrostatic testing.

''(C) Installation of emergency flow restricting devices, including leak detection systems, for natural gas and hazardous liquid pipelines.

''(D) Inspection and burial of underwater pipelines.

''(b) Notwithstanding any other provision of this chapter, if the Secretary determines that rulemaking regarding a subject listed in subsection (a)(3) is not practicable, appropriate, or reasonable, the Secretary shall transmit to Congress, not later than 60 days after the date of such determination, an explanation of the reasons for that determination.

''(c) Not later than 18 months after the date of enactment of the Pipeline Safety Act of 1995, the Secretary shall transmit to Congress a report including the assessment required under subsection (a) and a plan setting forth the actions proposed by the Secretary to address each risk identified in the assessment. Within 30 days after any substantive change to the action plan, including the addition or deletion of any subject or action in the plan, the Secretary shall inform Congress in writing of the reasons for the change.''.

SEC. 102. ONE CALL NOTIFICATION SYSTEMS.

Section 60114 (relating to one-call notification systems) is amended by striking subsections (b) and (d), and redesignating subsections (c) and (e) as (b) and (d), respectively.

SEC. 103. INTERNATIONAL UNIFORMITY.

Section 60117 (relating to administration) is amended by adding at the end the following new subsection:

''(k) INTERNATIONAL UNIFORMITY OF STANDARDS.—

''(1) PARTICIPATION IN INTERNATIONAL FORUMS.—Subject to guidance and direction from the Secretary of State, the Secretary of Transportation may participate in international forums that establish or recommend pipeline safety standards for transporting natural gas and hazardous liquids.

''(2) CONSULTATION.—The Secretary of Transportation may consult with interested authorities to ensure that, to the extent practicable, regulations the Secretary prescribes under this chapter are consistent with standards related to pipeline safety transportation adopted by international authorities.

''(3) DIFFERENCES WITH INTERNATIONAL STANDARDS AND REQUIREMENTS.—The section does not require the Secretary to prescribe a standard identical to, less stringent than, or more stringent than a standard adopted by an international authority or otherwise limit the Secretary's discretion in issuing standards.''.

SEC. 104. GENERAL AUTHORITY.

Section 60117 (relating to administration), as amended by section 103, is further amended by adding at the end the following new subsection:

''(l) FUNDING AUTHORITY.—To carry out this chapter, the Secretary may enter into grants, cooperative agreements, and other transactions with any person, agency, or instrumentality of the United States, any unit of State or local government, any educational institution, and any other entity to further the objectives of this chapter, including the development, improvement, and promotion of one-call damage prevention programs, research, risk assessment, and mapping.''.

SEC. 105. ANNUAL REPORTS.

Section 60124 (relating to annual reports) is repealed.

SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

Section 60125 (relating to authorization of appropriations) is amended—

(1) by striking ''gas:'' and all that follows in subsection (a) and inserting ''gas, $16,450,000 for the fiscal year ending September 30, 1996, and such sums as may be necessary for fiscal years 1997, 1998, and 1999.'';

(2) by striking ''liquid:'' and all that follows in subsection (b) and inserting ''liquid, $10,968,000 for the fiscal year ending September 30, 1996, and such sums as may be necessary for fiscal years 1997, 1998, and 1999.'';

(3)(A) by striking the heading of subsection (c) and inserting in lieu thereof ''STATE PIPELINE SAFETY GRANTS.—'';

(B) by striking ''title:'' and all that follows in subsection (c)(1) and inserting ''title, $15,000,000 for the fiscal year ending September 30, 1996, and such sums as may be necessary for fiscal years 1997, 1998, 1999.'';

(4) by striking subsection (d) and inserting the following:

(d) OTHER TRANSACTIONS.—Not more than the following amounts may be appropriated to the Secretary to carry out section 60117(1) of this title: $5,000,000 for the fiscal year ending September 30, 1996, and such sums as may be necessary for fiscal years 1997, 1998, and 1999.''; and

(5) by adding at the end the following new subsection:

''(g) SPECIAL PROJECTS.—For each of fiscal years 1996, 1997, 1998, and 1999, not more than $500,000 or 0.5 percent of the amount appropriated annually to carry out chapter 601, whichever is less, may be appropriated to the Secretary to fund special projects undertaken jointly with other offices within the Department to improve the administration of transportation safety programs.''.

SEC. 107. TECHNICAL CORRECTIONS.

(a) Section 60105 is amended by inserting ''PIPELINE SAFETY PROGRAM'' after ''STATE'' in the heading.

(b) Section 60106 is amended by inserting ''PIPELINE SAFETY'' after ''STATE'' in the heading.

(c) Section 60107 is amended by inserting ''PIPELINE SAFETY'' after ''STATE'' in the heading.

(d) Section 60114(a)(9) is amended by striking '', 60122, and 60123'' and inserting ''and 60122''.

TITLE II—AVIATION TARIFF AMENDMENT

SEC. 201. AVIATION TARIFF AMENDMENT.

Section 40114(b) (relating to reports and records), is amended—

(1) by striking ''The Secretary'' in the second sentence and inserting ''With the exception of tariffs, the Secretary; and''

(2) by inserting ''The Secretary shall ensure that tariff records are available to the public on a permanent basis.'' after the second sentence.

TITLE III—HAZARDOUS MATERIALS AMENDMENTS

SEC. 301. HAZARDOUS MATERIALS AMENDMENTS.

(a) Section 5107(j)(4)(A) (relating to employee training requirements) is amended by striking ''section 5127(c)(3)'' and inserting ''section 5127(b)(1)''.

(b) Section 5116(j)(4)(A) (relating to supplemental training grants) is amended by striking ''subsection (g)'' and inserting ''section 5115''.

(c) Section 5110(e) (relating to retention of shipping papers) is amended—

(1) by striking the heading and inserting the following:

''(e) Retention of Shipping Papers.—''; and

(2) by striking the first sentence and inserting ''A person required to provide a shipping paper to a carrier and a carrier to which a shipping paper is provided shall retain, at or accessible through its principal place of business, a paper or electronic image copy of each shipping paper for one year from the date the shipping paper has been provided to the carrier.''.

SECTION-BY-SECTION ANALYSIS

TITLE I. PIPELINE SAFETY AMENDMENTS

Sections 101 and 102. These sections contain the short title for title I of the Act, and clarify that references in title I to amendments of sections or other provisions are

considered to be amendments to title 49, United States Code.

Section 103. This section would incorporate in the pipeline safety statute a framework for risk management that would facilitate the introduction of risk-based decision-making into the pipeline safety program. Basing pipeline safety and environmental decisionmaking on risk management principles assures that the safety investments of pipeline operators can be directed to those risks that pose the greatest threat to the public and the environment.

Both the Department and pipeline operators have been working diligently to develop national standards for pipeline system risk assessment (the tool) and risk management (the safety program). In order to accommodate this new approach to safety and environmental decisionmaking, the traditional regulatory program framework, which focuses almost exclusively on regulations to address every risk, would be changed. This proposal has the benefit of facilitating a determination before a rulemaking or other action is begun as to what is the best risk-reduction action. In addition, the proposal supplies the means for determining among identified risks which ones should be addressed in what order and with what resources.

Section 104. This section removes the provision authorizing grants to States for development of one-call systems. The grant authority would be consolidated in 49 U.S.C. 60117(1) (discussed in section 106 of this bill).

Section 105. This section would allow the Secretary to participate in international forums that establish pipeline safety standards for transporting natural gas and hazardous liquids. The Secretary would be authorized to consult with international authorities to ensure that, to the extent practicable, United States regulations are consistent with international standards. The Secretary would not be required to adopt identical standards and would not be prohibited from adopting more, or less, stringent standards.

Section 106. This section provides the Secretary with general authority to enter into grants, cooperative agreements and other transactions with States, industry, non-profit institutions, and other entities to support activities that will achieve the objectives of the statute. These activities include, but are not limited to, one-call notification, research, risk assessment, and mapping.

This section would expand the Secretary's current authority to make grants to state pipeline safety agencies, by allowing the Secretary to make grants to other State agencies, operators of one-call notification systems, and non-profit organizations to actively promote the use of one-call notification systems. Prevention of damage to underground facilities such as pipelines, water and sewer lines, fiber optic cables, and electric lines represents one of the Nation's most important and relevant safety initiatives. Damage to pipelines from excavation and other powered equipment is the leading cause of pipeline failures. The best opportunity to avoid damage to underground facilities is through use of one-call systems whereby excavators can receive information, before they dig, from a single source about all underground facilities at risk from the excavation. However, the effectiveness of state laws and programs and one-call centers themselves varies widely throughout the country, and the need for uniformity is great as many underground facilities, and the excavators that threaten them, operate in many states and localities.

Grants provided for in this provision could be used to establish, modify, improve, and promote the use of one-call systems, including publicizing the risks involved in pipeline transportation and the benefits of one-call systems in addressing those risks.

This authority is central to execution of the Department's pipeline safety risk management program for it will enable the agency to obtain the data it will need continually to determine risks, quantify and rank those risks, adopt strategies and solutions to meet those risks, and identify available and new technologies necessary to keep pace with safety needs. This authority resides in other Federal agencies, and offers excellent opportunities to leverage Federal resources with other entities who have a role to play in risk management and accident prevention.

Section 107. This section would repeal the requirement that the Secretary report annually on pipeline safety activities conducted under 49 U.S.C. chapter 601. The information required in this report, and more, is provided at least annually to Congress during the appropriations process, as well as to the authorizing committees on a periodic basis. In addition, widespread dissemination of pipeline safety data is made to our state partners, and is the subject of an increasing number of requests under the Freedom of Information Act. The time spent to compile the report has resulted in the report being at least two years out of date by the time it is issued. The Department's new data capabilities enable it to provide up-to-date information on an ''as requested'' basis in response to routine requests for information. This capability meets the needs of our stakeholders, while not requiring the resources to assemble what, under the best of circumstances, is outdated information for the annual report.

Section 108. This section would authorize appropriations for the Department of Transportation to carry out the pipeline safety provisions of 49 U.S.C. 60101 *et seq*. For fiscal year 1996, this section would authorize $16,450,000 for gas, $10,968,000 for hazardous liquid, and $15,000,000 for State grants. This provision also authorizes $5,000,000 in fiscal year 1996 to fund activities conducted under section 60117(1) (see discussion under Section 106 of the bill), and such sums as may be necessary for fiscal years 1997, 1998, and 1999. Finally, for fiscal years 1996 through 1999, this section authorizes not more than $500,000 or 0.5% of the amount appropriated annually to carry out chapter 601, whichever is less, to fund special projects. This provision is intended to provide a small amount of funding for projects undertaken jointly with other agencies within the Department to improve the administration of transportation safety programs.

Section 109. The first three subsections amend the titles of three sections to clarify their applicability. Subsection (d) corrects one of the requirements for qualified state one-call programs by deleting the reference to state adoption of Federal criminal sanctions. The reference was inadvertently added to the list of requirements when the pipeline safety laws were enacted into positive law in Pub. L. No. 103–272.

TITLE II. AVIATION TARIFF AMENDMENT

Section 201. This section would amend section 40114 of title 49, United States Code, which sets out the requirements for maintaining as public records those materials filed with the Department on aviation matters, including voluminous international passenger fare tariff filings. Currently, section 40114 requires the Department to maintain physical custody of tariff filings.

In the spirit of reinventing government, the Department has reexamined the manner in which it performs its tariff custodianship function and found that the costs of the system greatly outweigh the benefits. The Department has concluded that the custodianship requirement, which was first enacted in 1938, has outlived its usefulness to the public, the airline industry, and the Government.

In 1989, the Department instituted a system by which air carriers may file international passenger tariffs electronically as an alternative to filing paper tariffs. To be eligible for the benefits of automated filing, a carrier is required to accept responsibility for maintaining a secure and accessible on-line tariff database. The major air carriers responded to this opportunity by contracting with tariff publishing agents to manage these electronic filing functions. Currently, the agents' on-line databases store over 95 percent of all tariffs. The Department strictly regulates these databases. Filers are required to keep the databases available for public and departmental access at no cost, secure against destruction, alteration, or tampering, and open to inspection by the Department to ensure security and integrity. The amended section would ensure continued public access to historical tariff data contained in the database currently used by the Department.

Although the Department has met its custodianship requirement by mandating a daily tape from the on-line tariff databases, it stores this data in a fashion that allows very limited flexibility in retrieving it. In contrast, the agents' databases are modern, flexible, and freely accessible to Department officials. As a result, the departmental archive serves no purpose except to comply with the statutorily-mandated custodianship requirement. Removing the statutory requirement that copies of the tariffs be preserved in the physical custody of the Department would enable the Department to cease its duplicative archival efforts and realize a savings.

TITLE III. HAZARDOUS MATERIALS AMENDMENTS

Section 301. This section amends 49 U.S.C. 5107(e) and 5116(j) to correct cross-references. This section also amends 49 U.S.C. 5110(e) to specify that the one-year retention period for a shipping paper begins when the shipping paper is provided to a carrier instead of when transportation is completed, because it would be very difficult for the originator of a shipment to determine when transportation of that shipment has been completed.●

By Mr. WARNER (for himself and Mr. ROBB):

S. 837. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison; to the Committee on Banking, Housing, and Urban Affairs.

THE JAMES MADISON COMMEMORATIVE COIN ACT

Mr. WARNER. Mr. President, I rise today with my good friend, Senator ROBB, to introduce legislation to establish an endowment to be a permanent source of support for Montpelier, the life-long home of James Madison, the fourth President of the United States and the Father of the U.S. Constitution. President Madison was the third generation of his family to live on this extensive estate located in the lush Piedmont of Virginia. Montpelier was settled by James Madison's grandparents in 1723 and prospered under the ownership of his parents, James (Sr.) and Nelly Conway Madison. In 1794, James Madison, a 43-year-old bachelor, met and fell in love with Dolley Payne Todd, a 26-year-old widow and mother. They were married later the same year.

After the completion of his second Presidential term in 1817, the Madisons retired to Montpelier, where their legendary hospitality kept them in touch with world affairs. At his death in 1836, Madison was buried on the estate. Dolley Madison later returned to Washington where she died in 1849.

Following Madison's death, the contents of the house were auctioned off. Montpelier then changed hands six times, until it was purchased in 1900 by William and Anna Rogers duPont. The National Trust for Historic Preservation received the property in 1983, and opened it for public tours in 1987 as part of the celebration of the bicentennial of the U.S. Constitution. Today, under the stewardship of the National Trust, Montpelier is beginning a long-term research and preservation process. Unfurnished and as yet unrestored, Montpelier is the focus of a major archaeological and architectural research effort.

The legislation which I am introducing today would authorize the U.S. Mint to produce a commemorative coin to honor the 250th birthday of James Madison. After recovery of minting and production costs, the proceeds from the sale of the James Madison Commemorative Coin, conservatively estimated at $5 to $10 million, will be used as the core of a capital campaign to establish an endowment and preserve Montpelier. This campaign will assure the full preservation and restoration of Montpelier and the development of all of the related programmatic activities.

Mr. President, an intensive effort must be mounted to achieve the goal of securing the future of Montpelier. I am committed to making my colleagues in the House and Senate aware of the benefits to be derived from the minting of a coin to honor James Madison, and I am confident that this support can be secured. Our national legislature, indeed, our Nation, owes a great debt to the vision of James Madison. Throughout his life, Montpelier helped shape Madison's character and values. This legislation is an important step toward bringing all Americans closer to this great man.

ADDITIONAL COSPONSORS

S. 240

At the request of Mr. DOMENICI, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 240, a bill to amend the Securities Exchange Act of 1934 to establish a filing deadline and to provide certain safeguards to ensure that the interests of investors are well protected under the implied private action provisions of the act.

S. 245

At the request of Mr. COHEN, the name of the Senator from Ohio [Mr. GLENN) was added as a cosponsor of S. 245, a bill to provide for enhanced penalties for health care fraud, and for other purposes.

S. 338

At the request of Mr. DASCHLE, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 338, a bill to amend title 38, United States Code, to extend the period of eligibility for inpatient care for veterans exposed to toxic substances, radiation, or environmental hazards, to extend the period of eligibility for outpatient care for veterans exposed to such substances or hazards during service in the Persian Gulf, and to expand the eligibility of veterans exposed to toxic substances or radiation for outpatient care.

S. 388

At the request of Ms. SNOWE, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 388, a bill to amend title 23, United States Code, to eliminate the penalties for noncompliance by States with a program requiring the use of motorcycle helmets, and for other purposes.

S. 456

At the request of Mr. BRADLEY, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 456, a bill to improve and strengthen the child support collection system, and for other purposes.

S. 560

At the request of Mr. DASCHLE, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 560, a bill to amend section 6901 of title 31, United States Code, to entitle units of general local government to payments in lieu of taxes for nontaxable Indian land.

S. 628

At the request of Mr. KYL, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 628, a bill to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers.

S. 647

At the request of Mr. LOTT, the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of S. 647, a bill to amend section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 to require phasing in of certain amendments of or revisions to land and resource management plans, and for other purposes.

S. 694

At the request of Mr. KYL, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 694, a bill to prevent and punish crimes of sexual and domestic violence, to strengthen the rights of crime victims, and for other purposes.

S. 738

At the request of Mr. THOMAS, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 738, a bill to amend the Helium Act to prohibit the Bureau of Mines from refining helium and selling refined helium, to dispose of the U.S. helium reserve, and for other purposes.

S. 758

At the request of Mr. HATCH, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 758, a bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes.

S. 771

At the request of Mr. PRYOR, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 771, a bill to provide that certain Federal property shall be made available to States for State use before being made available to other entities, and for other purposes.

SENATE JOINT RESOLUTION 31

At the request of Mr. HATCH, the name of the Senator from Ohio [Mr. DEWINE] was added as a cosponsor of Senate Joint Resolution 31, A joint resolution proposing an amendment to the Constitution of the United States to grant Congress and the States the power to prohibit the physical desecration of the flag of the United States.

AMENDMENTS SUBMITTED

THE CONGRESSIONAL BUDGET CONCURRENT RESOLUTION

ROCKEFELLER (AND OTHERS) AMENDMENT NO. 1112

Mr. ROCKEFELLER (for himself, Mr. LAUTENBERG, Mr. KENNEDY, Mr. DASCHLE, Mr. WELLSTONE, Ms. MIKULSKI, and Mrs. BOXER) proposed an amendment to the concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002; as follows:

On page 74, strike lines 12 through 24 and insert the following: ''budget, the spending aggregates shall be revised and other appropriate budgetary allocations, aggregates, and levels shall be revised to reflect up to 59 percent of the additional deficit reduction achieved as calculated under subsection (c) in budget authority and outlays for legislation that reduces the adverse effects on medicare and medicaid of—

''(1) increased premiums;

''(2) increased deductibles;

''(3) increased copayments;

''(4) limits on the freedom to select the doctor of one's choice;

''(5) reduced quality of health care services caused by funding reductions for health care providers;

''(6) reduced or eliminated benefits caused by restrictions on eligibility or services; or

''(7) closure of hospitals or nursing homes, or other harms to health care providers.

''(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate shall submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed 59

percent of the additional deficit reduction specified under subsection (d).''.

NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of 3 days of field hearings in Alaska before the full Committee on Energy and Natural Resources regarding the implementation of the Alaska Native Claims Settlement Act and the Alaska National Interest Lands Conservation Act.

The first hearing will take place on Wednesday, May 31, 1995, beginning at 1:30 p.m. in the auditorium of the Anchorage Museum of History and Art, 121 W. Seventh Avenue, Anchorage, AK 99501. The committee will receive testimony on the regulation of the use of Federal lands by inholders, miners, guides, tour operators, hunters, fishermen, and others who had access and use rights protected by the Alaska National Interest Lands Conservation Act.

The second hearing will be held on Thursday, June 1, 1995, beginning at 12:30 p.m. at the Elks Club, Wrangell, AK. Testimony will be received on the impact of administration of the Tongass National Forest on the timber dependent communities and opportunities for economic recovery.

The third hearing will be held on Friday, June 2, 1995, beginning at 1:30 p.m. in the Pioneer room of the Carlson Center, 2010 Second Avenue, Fairbanks, AK 99701. Testimony will be received on the regulation of the use of Federal lands by inholders, miners, guides, tour operators, hunters, fishermen, and others who had access and use rights protected by the Alaska National Interest Lands Conservation Act.

Because of the limited time available for the hearings, witnesses may testify by invitation only. It will be necessary to place witnesses in panels and place time limits on oral testimony. Witnesses testifying at the hearings are requested to bring three copies of their testimony with them on the day of the hearing. Please do not submit testimony in advance of the hearing.

The hearing record will remain open for 2 weeks following each hearing. If you wish to submit a written statement for the hearing record, please send one copy of your statement to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information regarding the hearings, please contact Andrew Lundquist or Mark Rey at 202–224–6170.

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Subcommittee on Forests and Public Land Management to review the Forest Service's reinvention proposal and the proposed national forest planning regulations.

The hearing will take place on Thursday, June 8, 1995, at 2 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements, should write to the Subcommittee on Forests and Public Land Management, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please contact Mark Rey at (202) 224–6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, May 19, 1995, at 11 a.m.

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

SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Subcommittee on Education, Arts and Humanities of the Committee on Labor and Human Resources be authorized to meet for a hearing on the role of business in vocational education, during the session of the Senate on Friday, May 19, 1995, at 9:30 a.m.

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

ADDITIONAL STATEMENTS

THE DEPARTURE OF THE HONORABLE NORA SLATKIN, ASSISTANT SECRETARY OF THE NAVY FOR ACQUISITION

• Mr. DODD. Mr. President, I want to take a moment to pay tribute to an outstanding public servant who will be leaving the Department of Defense today to continue her contributions to the Nation at the Central Intelligence Agency. This dedicated and thoughtful servant needs no formal introduction to those familiar with the complexities of our Nation's defense budget. I am of course speaking of Assistant Secretary of the Navy for Acquisition, Ms. Nora Slatkin.

In the years preceding her appointment to the Department of the Navy, Ms. Slatkin served as a senior staff member and adviser to Les Aspin, then chairman of the House Armed Services Committee. During her tenure with the committee, Ms. Slatkin often staffed the most difficult of hearings involving not only current program acquisition, but research and development investments for the future. She is truly one of our Nation's brightest stars in defense policy.

As Assistant Secretary of the Navy, Ms. Slatkin has presided over some of the most difficult procurement decisions before the Department in recent decades. Her tenure has been marked by sound, articulate judgment and careful analysis. More importantly, she has further strengthened her reputation for honesty, integrity, and fairness—qualities often desired but not always achieved.

Ms. Slatkin truly deserves our thanks for her service to the Nation and the Navy. I wish her well and much success in her new position at the Central Intelligence Agency.•

NATIONAL DEFENSE TRANSPORTATION DAY

• Mr. WARNER. Mr. President, today, as we celebrate National Defense Transportation Day, I rise to recognize the important contributions that the people who serve in military transportation specialties, as well as those who work in the U.S. civil transportation industry, have made to the security of our Nation.

As our military increasingly becomes a U.S.-based, power projection force, our transportation assets become an even more crucial element of the national defense. Without possessing the ability to rapidly and efficiently move our service personnel and their equipment into an overseas theater of operations, all of the money we have spent and all of the effort we have put into building the strongest armed force in the world would be for naught.

I am sure that we all can vividly recall the Herculean effort our military and civilian transporters made during Operation Desert Shield in moving large numbers of people and massive amounts of materiel from two continents into the Persian Gulf region, in record time. As our military leaders can attest, that transportation capability served as a combat multiplier, and played a significant role in our decisive victory.

Today, the many people involved in U.S. defense transportation continue the long tradition of excellence in service to the Nation. Whether military or civilian; manufacturers or operators; air transporters, sea transporters, or ground transporters; these Americans represent the very best our Nation has to offer. I commend them for their hard work and their many contributions to national security.

I would also like to take this opportunity to recognize the National Defense Transportation Association [NDTA], headquartered in Alexandria, VA. Within a membership of over 8,000 people, configured into 70 chapters within the United States and overseas, the NDTA has served as a catalyst in building the critically important military-private sector partnership for defense transportation. In this, its 51st year, NDTA continues to play a vital role in keeping the American defense transportation capability the best in the world.

Mr. President, I trust my colleagues will join me today in saluting the NDTA, and all Americans working in defense transportation, on National Defense Transportation Day.●

THREE CHEERS FOR THE RHODE ISLAND GEOGRAPHY BEE

● Mr. CHAFEE. Mr. President, I would like to commend all the students who participated in the Rhode Island finals of the 1995 National Geography Bee that took place at Rhode Island College on April 7.

The competition included eight preliminary rounds. The top 10 winners of the semifinals then competed in the final round. These students received a medallion from the Rhode Island Social Studies Association for their performance.

The third place winner was Matthew Lawrence from Hugh B. Gain Junior High School. He received $50, a book from National Geographic, and an inflatable globe. Matthew Price of Riverside Junior High School was the second place winner. He received $75, a book from National Geographic, and an inflatable globe.

The first place winner was Mitchell Malachowski of Western Hills Junior High School. As well as receiving $100, an atlas, and an inflatable globe, he will compete in the national finals at National Geographic Headquarters here in Washington, DC. His teacher, Mr. William Morris, will travel with him. Western Hills Junior High School was presented with a plaque.

Even more important than the books and plaques that these students received, is the knowledge of geography they obtained during preparations for the competition. As our world grows smaller through the advances in technology, communications, and transportation, the study of geography becomes increasingly significant.

This achievement is an exceptional feat. Geography is a very important subject. All the participants have demonstrated exceptional knowledge in the field. My heartiest congratulations to them all.

I ask that a list of these students be printed in the RECORD.

The list follows:

CONTESTANTS IN THE RHODE ISLAND FINALS—1995 NATIONAL GEOGRAPHY BEE

GROUP A

Jonathan Greer, Winman Junior High School; Joseph McDonough, Portsmouth Middle School; Sumon Datta, James H. Eldredge School; Paul J. Ring, Mount Saint Charles Academy; Matthew Lawrence, Hugh B. Bain Jr. High School; Timothy Garceau, St. Cecilia School; Matthew Price, Riverside Junior High School; Bradley Schoultz, Thompson Middle School; Michael Hirth, St. Rose of Lima School; and Andrew Watts, George Hanaford School.

Mark Roll, Northern Lincoln Elementary; Melissa Tamke, St. Anne's School; Jessica A. Scholl, Stony Lane School; Syed Rizwan Latif, Samuel Slater Jr. High School; Nicholas Rubano, Gallagher Jr. High; Kenneth Virgil Ward Brown III, Alice M. Waddington School; Michael McManus, N. Cumberland Middle School; Johanna Anderson, St. Philip School; Justin Shilad, Lincoln Central Elementary School; and Michelle Beauregard, Wickford Middle School.

GROUP B

Amy Tibbetts, The Wheeler School; Michael Broomhead, Barrington Middle School; Adina Shafner, Providence Hebrew Day School; Adam Hommeyer, Archie R. Cole Jr. High School; Lauren De Sillier, Babcock Middle School; Jake Cahalan, John F. Deering Middle School; Katelain Kelly, St. Mary Academy Bay View; Seraph Townsend, Aldrich Jr. High; Brendan Carroll, Burrillville Middle School; and Michael Haskell, Fallon Memorial.

Kevin Remillard, St. Joseph Intermediate School; Matthew P. Celeste, George J. Peters School; Timothy Larson, N. Smithfield Elementary School; Carey J. Gaughan, The Prout School; Jim King, W. Kingston Elementary School; Stacy Thompsen, Myron J. Francis Elementary; Michael Crittenden, Tiverton Middle School; David Tuetkin, Raymond C. LaPerche School; Nelson Cordeiro, St. Paul School; and Noah Leclaire-Conway, Wakefield Elementary School.

GROUP C

James Rowe, N. Smithfield Junior-Senior High; Shaun Russell, Wickford Elementary School; Justin Holmander, Tiogue Elementary School; Matthew S. Gaudette, Our Lady of Consolation School; Brandon Cone, Oak Haven Elementary School; Kelsey M. Squire, William J. Underwood Elementary School; Michaela Hamill, Ponaganset Middle School; Adam Pimenta, Colt-Andrews Elementary School; Jason Clavet, Lincoln Junior-Senior High; and Rebekah Ann Charron, Good Shepherd Middle School.

Matthew Heffernan, Daniel D. Waterman School; Peter Francis Jones, St. Pius X School; Jill Muratori, Halliwell School; Michael L. Corsi, John Brown Francis School; Elizabeth Moniz, St. Luke School; Mitchell Malachowski, Western Hills School; Alyssa Menissian, Park View Jr. High School; Nathan Lapierre, Moses Brown School; Brian F. Houle, James R. D. Oldham School; and Paul Kuras, Central Falls Junior-Senior High School.

GROUP D

Brian Marandola, Conventry Middle School; Christopher J. Fuller, Cranston Johnston Catholic School; Matthew McKeever, Davisville Middle School; Brian Killoy, Narrangansett Pier School; Matthew Shahlund, St. Matthew School; Emily S. Wasser, Garden City Elementary School; Matthew Blanchette, Rocky Hill School; Nathan Smelser, Old Country Road Elementary; Benjamin Totushek, Barrington Christian Academy; and Patrick Hughes, Kent Heights School.

David DuBois, Nicholas A. Ferri Middle School; Kathleen O'Connor, Msgr. Matthew Clark School; Gregory Baker, Kickemuit Middle School Guiteras Cmp.; Daniel F. Geary, Cedar Hill Elementary School; David Baich, Jr., Western Conventry School; Brianna Marshall, Bernon Heights Elementary School; Synthia Tonn, Joseph H. Gaudet Middle School; John Neubauer, St. Pius V School; Michael LeFort, Lonsdale Elementary School; and David Brigada, Charlestown Elementary School.

GROUP E

Erik John Chaput, St. Leo the Great School; Roger Diebold, Hampden Meadows School; Eric Rueb, Martin Jr. High; Thomas Ensign DuBois, Our Lady of Mount Carmel School; Christine Grinavic, Cumberland Middle School; Ryan Mullen, Gorton Junior High School; John Noyes, Sisters of St. Joseph of Cluny; Matthew Twomey, Matunuck Elementary School; Heather Jordan, Potowomut School; Joseph Apollonio, Notre Dame Regional.

Iran Anderson, Hope Valley Elementary; Andrew Payne, Jamestown School; Christopher McGuire, Hope Highlands Elementary; Ariel Mae Lambe, The Gordon School; Mark Scott, Oak Lawn School; Kelly Duchesne, St. Matthew Notre Dame School; Anthony Izzo, Scituate Middle School; Michael Gagne, Woonsocket Middle School; Gregory Nannig, Hamilton School; and Sean Brislin, Calcutt Middle School.

CONTRIBUTORS

Rhode Island College; Rhode Island Social Studies Association; Rhode Island Federation of Teachers; National Education Association of Rhode Island; and Rhode Island Geography Education Alliance.

SPONSORED BY

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TRIBUTE TO SERGEANT MAJOR OF THE ARMY RICHARD A. KIDD

Mr. FORD. Mr. President, today I wish to congratulate Sergeant Major of the Army [SMA] Richard A. Kidd, who will retire on June 30, 1995. SMA Kidd's service to our Nation spanned more than 33 years during which he distinguished himself as a soldier, leader, mentor, spokesman, and adviser to the Chief of Staff of the Army. Let me briefly recount to you the career of this dedicated and professional soldier.

A native of Morehead, KY, and product of a military family, SMA Kidd enlisted in the U.S. Army in March 1962. During his more than three decades of loyal service to the Nation, he has held and served in every infantry enlisted leadership position from squad leader to command sergeant major. He is a combat tested leader with two tours in Vietnam where he served with the 1st Cavalry Division (1966–67) and returned as an infantry adviser with the United States Military Assistance Command-Vietnam (1970–71). SMA Kidd has also had multiple tours in Korea and Europe. Before becoming the ninth Sergeant Major of the Army, he was command sergeant major of I Corps, America's Corps, and Fort Lewis, WA. He has served as command sergeant major of numerous organizations including the 9th Aviation Battalion, Fort Lewis, WA; 2d Battalion, 2d Infantry, South Korea; Commandant, 1st Armored Division NCO Academy, Katterbach, Germany. After his tour in Germany, he returned to Fort Lewis where he served consecutively as command sergeant major of the 4th Battalion, 23d Infantry Regiment; 3d Brigade, 9th Infantry Division [Motorized]; and 9th Infantry Division [Motorized].

When SMA Kidd was selected to become the Army's senior enlisted representative in July 1991, the cheering Americans and victory parades welcoming home the victors of the Persian Gulf war were but a faint memory. Two short years earlier, the Berlin Wall had fallen, signaling America's triumph in the 50-year-old cold war and the Army

was in the midst of a drawdown efforts to reduce its size by a third. The biggest challenge facing SMA Kidd was communicating the Army's strategy to make cuts while, at the same time, maintaining a quality trained and ready Army. He focused on providing soldiers and their families with accurate and timely information so that they could make educated and informed decisions about their future in a shrinking Army. That was achieved through regular interviews with both internal and external communication print and electronic mediums. In so doing, he established a reputation, trust, and rapport with soldiers and their families as a caring leader who listened and truly represented soldiers.

SMA Kidd's distinguished 33-year career epitomizes the consummate professional soldier—one who loves being a soldier and being around other soldiers, is technically and tactically proficient, dedicated, motivated, physically fit, mentally alert, and morally straight. But above all, he is a loving and caring husband and father whose service was enhanced by his wife, Sylvia, and their two children, Shelly and Ryan. To them, too, the Nation owes its gratitude.

SMA Kidd, a professional and proud infantry soldier—on behalf of the Congress of the United States and the people we represent, I offer our sincere thanks for your service.

RIVER BEND NEIGHBORHOOD ASSOCIATION, DES MOINES

● Mr. GRASSLEY. Mr. President, with the seemingly never-ending stories of urban decline, I thought it would be a welcome change to tell about a community that has bucked this downward trend. River Bend Neighborhood Association is a community on the north side of Des Moines, IA. River Bend is unique in that it has taken control of its own future. Of course, there have been helping hands along the way, but the true reason behind their success is the desire and motivation of the community members to attain a better life.

The background of River Bend will sound familiar to many. The neighborhood consists of approximately 4,000 residents and the average household income is $11,880. Increasingly, River Bend was succumbing to the problems of crime, drugs, disinvestment, and abandoned property. Businesses were moving out, and corruption started to take over.

The key to halting this decline was the formation of the Designated Neighborhood Action Plan. The goal of the plan, which was started in 1990, is to better meet the needs of Des Moines' communities, with the emphasis on housing and infrastructure. The logistics are the tricky part. The plan involved the Des Moines government, Polk County government, and the financial services industry to invest in the Neighborhood Finance Corporation, the NFC for short. Due to this investment, the NFC is able to provide mortgage capital at low rates and planning services to keep private investment in local communities. This allows for low income families, even families earning as low as 30 percent of median income, to own their own homes, a goal most Americans share.

To date, over $35 million in private capital has been raised by the NFC—all from the local financial services industry. One notable figure is The Principal Financial Group, which has provided investments of over $3 million, continuing funding for operating costs, and leadership to keep the NFC in the right direction. Financial institutions like the Principal and others in Des Moines make it possible for communities such as River Bend to become productive and attractive.

Mr. President, I think the example of River Bend is an important one. The successes of River Bend are tangible: the fact that 161 homes have either been constructed or salvaged and new families are moving into these homes, the fact that crime has decreased, and the fact that over $4 million has been invested in the area. These successes are proof that something like the Designated Neighborhood Action Plan can work if it is given a chance. The key is to make more urban communities aware of such possibilities, and show that these goals are indeed within reach. State and local governments need to support partnerships like that of River Bend and the financial institutions of Des Moines. Having cleaner, safer, and more productive neighborhoods is beneficial to everyone in a large urban area, and this is the necessary common denominator that makes these partnerships work.●

STATUTORY REFERENCES TO APPLICABLE COMMITTEE OR OFFICER OF THE HOUSE OF REPRESENTATIVES

Mr. DOMENICI. I ask unanimous consent that the Senate proceed to immediate consideration of H.R. 1421, just arrived from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1421) to provide that references in the statutes of the United States to any committee or officer of the House of Representatives the name or jurisdiction of which was changed as part of the reorganization of the House of Represenatives at the beginning of the One Hundred Fourth Congress shall be treated as referring to the currently applicable committee or officer of the House of Representatives.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. DOMENICI. I ask unanimous consent that the bill be considered, deemed read the third time, passed and the motion to reconsider laid on the table; that any statements relating to the bill be placed in the RECORD at the appropriate place.

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

So the bill (H. R. 1421) was deemed to have been read the third time and passed.

Mr. EXON. 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.

ORDERS FOR MONDAY, MAY 22, 1995

Mr. DOMENICI. I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:30 a.m. on Monday, May 22, 1995; that following the prayer the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of Senate Concurrent Resolution 13, the concurrent budget resolution.

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

PROGRAM

Mr. DOMENICI. For the information of all Senators, the Senate will resume consideration of the budget resolution on 8:30 Monday morning. By a previous order, there will be a rollcall vote on the Lautenberg-Rockefeller Medicare amendment at 3:15 p.m. on Monday. Senators can expect further rollcall votes during Monday's session of the Senate, and the majority leader has indicated he would anticipate a late session on Monday in order to make progress on the budget resolution.

ORDER FOR RECESS

Mr. DOMENICI. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess following the remarks of Senator EXON.

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

The Senator from Nebraska.

DEBATE ON THE BUDGET RESOLUTION

Mr. EXON. Madam President, I thank the Chair and I thank my friend and colleague, the chairman of the Budget Committee.

Just 2 or 3 minutes of closing remarks. I would agree.

I would agree with my friend and colleague from New Mexico that during debate on the Senate floor there may have been some overstatements of the facts by Senators on this side of the aisle.

I was here today, though, and I heard several statements on the Republican

side of the aisle that I interpreted also as overstatements. We do get carried away sometimes in debate.

This Senator, both in the Budget Committee and on the floor of the Senate, has tried to make a case as I saw it in a responsible, honest manner.

I just want to say, once again, that I spoke a few moments ago about one of the greatest overstatements that I keep hearing on the floor of the Senate on this matter, despite the fact that the Democrats have not offered an amendment and as far as I know will not during this debate that violates the very principles that the Senator from New Mexico emphasized was part and parcel of the budget, to protect the kids of the future, to eliminate the ever skyrocketing deficit and grossly increasing national debt.

But, once again, I feel, when somebody on this side of the aisle or somebody on that side of the aisle gets up and says something about overstatements by someone on the other side, they better be careful that they are not throwing rocks at their own glass houses.

My friend from New Mexico went right after one of the very basic tenets of the remarks that I made, I think in a reasonable fashion, just before we went into the closing procedures, and that was that I have heard the statement, certainly an overstatement, once again, from the chairman of the Budget Committee that the Democrats want to take this money and spend it. Well, I think that is a good buzzword and I think the Republicans have researched that well in their extensive polling.

I want it clearly understood that this deficit hawk, this conservative Democrat, is not for spending in the context that the Republicans continue to use during this debate, accusing the Democrats of spending when we are not spending. We are reducing the hits. We are reducing the significant reductions in hits in a whole series of programs that even the Republicans concede are very heavy and very difficult.

I simply say, Madam President, once again, I hope that we can continue a legitimate debate on Monday, to debate the legitimate issues in proper form and with proper respect for all Members of the Senate that I have great respect for, but I recognize that all of us, from time to time, make some overstatements.

I just hope, because every time I hear the Republicans talking about spending, I wish that they would better define that word. We are not spending money. We are trying to alleviate what we think are more onerous cuts in budgets of the most needy of our citizens, especially our senior citizens, and especially our young people who were relying on Government loans to get their education. We will continue the debate on Monday next.

I yield the floor.

RECESS UNTIL 8:30 A.M., MONDAY, MAY 22, 1995

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess.

Thereupon, the Senate, at 6:44 p.m., recessed until Monday, May 22, 1995, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 19, 1995:

DEPARTMENT OF JUSTICE

ANDREW FOIS, OF NEW YORK, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE SHEILA FOSTER ANTHONY, RESIGNED.

EXPORT-IMPORT BANK OF THE UNITED STATES

MARIA LUISA MABILANGAN HALEY, OF ARKANSAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM EXPIRING JANUARY 20, 1999. (REAPPOINTMENT.)

DEPARTMENT OF TREASURY

JOHN D. HAWKE, JR., OF NEW YORK, TO BE UNDER SECRETARY OF THE TREASURY, VICE FRANK N. NEWMAN.

CENTRAL INTELLIGENCE

GEORGE J. TENET, OF MARYLAND, TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE, VICE ADMIRAL WILLIAM O. STUDEMAN.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

GEN. JAMES L. JAMERSON, 000–00–0000

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. HUBERT G. SMITH, 000–00–0000

THE FOLLOWING U.S. ARMY NATIONAL GUARD OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY TO THE GRADES INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTIONS 3385, 3392, AND 12203(A):

To be major general

BRIG. GEN. CRAYTON M. BOWEN, 000–00–0000
BRIG. GEN. JAMES D. DAVIS, 000–00–0000
BRIG. GEN. ROBERT J. MITCHELL, 000–00–0000
BRIG. GEN. JOHN E. PRENDERGAST, 000–00–0000
BRIG. GEN. ROBERT E. SCHULTE, 000–00–0000
BRIG. GEN. WALTER L. STEWART, JR., 000–00–0000
BRIG. GEN. CARROLL THACKSTON, 000–00–0000

To be brigadier general

COL. LANCE A. TALMAGE, SR., 000–00–0000
COL. ROBERT A. MORGAN, 000–00–0000
COL. JOHN E. BLAIR, 000–00–0000
COL. PHILLIP O. PEAY, 000–00–0000
COL. ROBERT D. WHITWORTH, 000–00–0000
COL. RONALD W. HENRY, 000–00–0000
COL. VANDIVER H. CARTER, 000–00–0000
COL. TROY B. OLIVER, 000–00–0000
COL. DON C. MORROW, 000–00–0000
COL. SMYTHE J. WILLIAMS, 000–00–0000
COL. WILLIAM W. AUSTIN, 000–00–0000
COL. JEAN A. ROMNEY, 000–00–0000
COL. JAMES T. DUNN, 000–00–0000
COL. PAUL T. OTT, 000–00–0000
COL. REID K. BEVERIDGE, 000–00–0000
COL. BERTUS L. SISCO, 000–00–0000
COL. JIM E. MORFORD, 000–00–0000
COL. WILLIE A. ALEXANDER, 000–00–0000
COL. STEVEN P. SOLOMON, 000–00–0000
COL. JERRY V. GRIZZLE, 000–00–0000
COL. JAMES V. TORGERSON, 000–00–0000

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 12203 AND 3385:

ARMY PROMOTION LIST

To be colonel

RICHARD F. ANDERSON, 000–00–0000
JOSEPH J. CHAVES, 000–00–0000
PETER F. COHEN, 000–00–0000
AGUSTIN P. DUENAS, 000–00–0000
FOREST B. DUNNING, 000–00–0000
JOHN A. ILLARMO, 000–00–0000
ARTHUR A. JACKSON, 000–00–0000
WILLIAM J. KELLEY, JR., 000–00–0000
JOSEPH A. LAGROW, 000–00–0000
WILLIAM R. MALONEY, 000–00–0000
JOHN R. SCALES, 000–00–0000
THOMAS J. SULLIVAN, 000–00–0000
ROBERT L. WALKER, 000–00–0000

ARMY NURSE CORPS

To be colonel

CAROL A. BROWN, 000–00–0000

CHAPLAIN CORPS

To be colonel

MARVIN T. MILBURY, 000–00–0000

MEDICAL CORPS

To be colonel

JOHN D. PERRINE, 000–00–0000

ARMY PROMOTION LIST

To be lieutenant colonel

THOMAS W. ACOSTA, JR., 000–00–0000
THOMAS G. ALLEN, 000–00–0000
KEITH J. BUCKLEW, 000–00–0000
TIMOTHY R. GOODWIN, 000–00–0000
CECIL E. GREEN, 000–00–0000
MICHAEL A. GRUET, 000–00–0000
ROBERT E. LANDSTROM, 000–00–0000
DENNIS J. MC COY 000–00–0000
RITA A. PRICE, 000–00–0000
CHARLES W. RHOADS, 000–00–0000
ROBERT H. SIMPSON, 000–00–0000
LAWRENCE B. SMITH, 000–00–0000
WARRINGTON O. TYSON, 000–00–0000
JAMES L. VANNAMAN, 000–00–0000
EDWARD J. VERGA, 000–00–0000
CARL R. WEBB, JR., 000–00–0000

CHAPLAIN CORPS

To be lieutenant colonel

GARY L. MOORE, 000–00–0000

MEDICAL SERVICE CORPS

To be lieutenant colonel

IGWEKALA E. NJOKU, 000–00–0000

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 12203 AND 3385:

ARMY PROMOTION LIST

To be colonel

RONALD C. BREDLOW, 000–00–0000
JOHN E. EASTER II, 000–00–0000
PAUL P. GLEASON, 000–00–0000
BARRON L. GOFF, 000–00–0000
STEVE A. HATTEN, 000–00–0000
CARL R. HENDERSON, 000–00–0000
CLAY A. HINDERLITER, 000–00–0000
THOMAS D. JOHNSON, 000–00–0000
THOMAS E. LITTLE, 000–00–0000
DON M. PREWITT, 000–00–0000
JOHN F. PUGH, JR., 000–00–0000
DENNIS M. RYAN, 000–00–0000
WILBUR D. SAULTERS, JR., 000–00–0000
JAMES C. SPROULL IV, 000–00–0000
JOHN M. TYSON, 000–00–0000
FREDERICK L. WARD, JR., 000–00–0000
TERRY G. WILKERSON, 000–00–0000

CHAPLAIN CORPS

To be colonel

PAUL L. GRANT, 000–00–0000

THE JUDGE ADVOCATE GENERAL'S CORPS

To be colonel

EVERETT T. WOHLERS, 000–00–0000

MEDICAL CORPS

To be colonel

REGINALD A. ALEXANDER, 000–00–0000
BRIAN T. NOLAN, 000–00–0000

ARMY PROMOTION LIST

To be lieutenant colonel

RICHARD P. ANDERSON, 000–00–0000
CARL R. BARTELL, 000–00–0000
JIMMIE H. CHAPMAN, 000–00–0000
ARTHUR R. DIAZ, 000–00–0000
GERALD L. ERICSSON, 000–00–0000
MICHAEL L. FALCONER, 000–00–0000
HERBERT P. FRITTS, 000–00–0000
GREGORY B. GRIFFITH, 000–00–0000
BILLY J. HUTTON, JR., 000–00–0000
BRADLY S. MAC NEALY, 000–00–0000
BLANCHE A. MC CLURE, 000–00–0000
ROBERT T. MC CORMICK, 000–00–0000
MICHAEL P. MURRAY, 000–00–0000
ROBERT M. PUCKETT, 000–00–0000
AGUSTIN RIVERA, 000–00–0000
GARY D. SADLER, 000–00–0000
MARK J. SLAWINSKI, 000–00–0000
DONALD K. TAKAMI, 000–00–0000
JOHN N. TOBIN, 000–00–0000
MICHAEL K. WEBB, 000–00–0000

DENTAL CORPS

To be lieutenant colonel

JOHN R. HERRIN, 000–00–0000

ARMY NURSE CORPS

To be lieutenant colonel

KAY F. STANTON, 000–00–0000

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

CHAPLAIN CORPS

To be lieutenant colonel

JAMES E. AGNEW, 000–00–0000
HANSON R. BONEY, 000–00–0000
WILFRED J. BREWSTER, 000–00–0000
WILLIAM F. CAREY, 000–00–0000
*FREDRICK S. CARR, 000–00–0000
SCOTT DAVIES, 000–00–0000
RICHARD L. EVANS, 000–00–0000
JOSEPH A. GIBILISCO, 000–00–0000
LARRY J. GOODWILL, 000–00–0000
HENRY A. HAYNES, 000–00–0000
JAMES HIMMELSBACH, 000–00–0000
JOHN C. HOLZ, 000–00–0000
MICHAEL A. HOYT, 000–00–0000
DWIGHT C. JENNINGS, 000–00–0000
IRVEN W. JOHNSON, 000–00–0000
*JERE R. KIMMELL, 000–00–0000
JOHN E. KULP, 000–00–0000
CLARKE L. MC GRIFF, 000–00–0000
JOHN H. MC RAE, 000–00–0000
*ANTHONY J. MEDAIROS, 000–00–0000
DANIEL K. NAGLE, 000–00–0000
JAMES H. NEELY, 000–00–0000
DAVID R. PENLAND, 000–00–0000
JOHN J. PRENDERGAST, 000–00–0000
JAMES E. RAYBURN, 000–00–0000
WILLARD RICHARDSON, 000–00–0000
FREDERICK ROBINSON, 000–00–0000
LARRY D. ROBINSON, 000–00–0000
RICHARD P. ROGGIA, 000–00–0000
ELENITO B. SANTOS, 000–00–0000
REES R. STEVENS, 000–00–0000
DONALD E. TROYER, 000–00–0000
REINALDO VELEZ, 000–00–0000
GORDON D. WALTERS, 000–00–0000
JEFFREY M. YOUNG, 000–00–0000

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

DWIGHT P. ROBINSON, OF MICHIGAN, TO BE DEPUTY SECRETARY OF HOUSING AND URBAN DEVELOPMENT, VICE TERRENCE R. DUVERNAY, SR., RESIGNED.

IN THE NAVY

THE FOLLOWING-NAMED TEMPORARY LIMITED DUTY OFFICERS, TO BE APPOINTED PERMANENT LIEUTENANT IN THE LINE AS LIMITED DUTY OFFICERS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5589(A):

LIMITED DUTY OFFICERS, LINE (PERMANENT)

To be lieutenant

ABALOS, CAMILO L., 000–00–0000
ADAMS, DUANE S., 000–00–0000
ADAMS, JOHN, W., 000–00–0000
ALDRIDGE, JOSEPH M., 000–00–0000
ALLMON, GEORGE A., 000–00–0000
ANDERSON, CLIFFORD A., 000–00–0000
ANDERSON, LAURENCE G., 000–00–0000
ANDERSON, RANDALL E., 000–00–0000
ASHBY, CLINTON P., 000–00–0000
AVENANCIO, DANIEL, 000–00–0000
BAHRS, PAUL J., 000–00–0000
BARKER, JIMMY M., JR., 000–00–0000
BARSALEAU, JOANNE M., 000–00–0000
BATEMAN, RONALD B., 000–00–0000
BEAR, MICHAEL S., 000–00–0000
BEAUDRY, JAMES S., 000–00–0000
BELL, JOHN T., 000–00–0000
BENNETT, JAMES L., 000–00–0000
BENNETT, RANDAL D., 000–00–0000
BERNLOEHR, GEORGE R., 000–00–0000
BILLINGS, JERRY W., 000–00–0000
BINDEL, WILLIAM E., 000–00–0000
BOSTRON, GARY E., 000–00–0000
BRENNAN, GARY F., 000–00–0000
BRIGHAM, SCOTT H., 000–00–0000
BRYAN, LLOYD D., 000–00–0000
BUCKLEY, JAMES P., 000–00–0000
BUCKMASTER, MARK C., 000–00–0000
BUNNELL, JAMES P., II, 000–00–0000
BURROWES, PAUL S., 000–00–0000
CALLESEN, RICHARD O., 000–00–0000
CANFIELD, STEPHEN T., 000–00–0000
CANTERBURY, TEDDY D., 000–00–0000
CARMODY, KENNETH J., 000–00–0000
CARR, JOHN A., 000–00–0000
CARRINGTON, THOMAS D., 000–00–0000
CARTER, CHRISTOPHER J., 000–00–0000
CASTLEBERRY, ARTHUR D., 000–00–0000
CHANDLER, FRANK L., 000–00–0000
CHAUNCEY, TERYL E., 000–00–0000
CHIDESTER, WYATT N., 000–00–0000
CILIA, BEVERLY R., 000–00–0000
CLAIBOURN, GREGORY, 000–00–0000
CLOSE, MEGAN E., 000–00–0000
CONRAD, LORELEI A., 000–00–0000
COOK, KAREN G., 000–00–0000
COOPER, RONALD W., 000–00–0000
COUSINS, WILLIAM D., 000–00–0000
CRAWMER, JOHN S., 000–00–0000
CROCKETT, JESSIE D., 000–00–0000
CURIA, JOHN G., 000–00–0000
CURLING, LINDA S., 000–00–0000
DAILEY, BARNEY B., 000–00–0000
DALTON, KENNETH W., 000–00–0000
DAVIS, STEPHEN P., 000–00–0000
DELHERY, VINCENT J., 000–00–0000
DIBLASI, CARL N., JR., 000–00–0000
DIFFELL, JAMES C., 000–00–0000
DILLOW, ROBERT G., JR., 000–00–0000
DONALDSON, ROBIN E., 000–00–0000
DOTY, WILLARD E., JR., 000–00–0000
DOWNING, SANDRA D., 000–00–0000
DOYLE, SHANNON D., 000–00–0000
DRAKE, JOSEPH A., 000–00–0000
DUFFY, TIMOTHY W., 000–00–0000
EDGE, REGINALD D., 000–00–0000
EMBERTON, TERRY L., 000–00–0000
ENOS, TIMOTHY D., 000–00–0000
EPPARD, ELWOOD G., 000–00–0000
ERICKSON, RANDAL L., 000–00–0000
ERNST, MICHAEL L., 000–00–0000
ESSENMACHER, RICHARD J., 000–00–0000
EVANS, JOHN D., 000–00–0000
FARMER, HELEN E., 000–00–0000
FINLEY, CHRISTOPHER D., 000–00–0000
FISH, SHAREE E., 000–00–0000
FRANKS, STERLING L., 000–00–0000
FREDETTE, JAMES A., JR., 000–00–0000
FRIDLEY, DALLAS E., JR., 000–00–0000
GAGE, MICHAEL B., 000–00–0000
GALLOP, MICHAEL L., 000–00–0000
GARREN, WILLIAM A., 000–00–0000
GARTNER, GEORGE A., 000–00–0000
GILLEY, JERRY A., 000–00–0000
GILLMAN, BERT A., 000–00–0000
GITHER, HUGH D., 000–00–0000
GLOVER, JANET F., 000–00–0000
GOLDINGER, ROBERT L., 000–00–0000
GOMEZ, DAVID, 000–00–0000
GREENE, STEVEN E., 000–00–0000
GRIFFIN, MARY L., 000–00–0000
GRIFFITH, ALLEN M., 000–00–0000
GRIGGS, BONNIE R., 000–00–0000
GROSSMAN, MICHAEL D., 000–00–0000
HANSEN, CHRISTOPHER L., 000–00–0000
HANSEN, ERIC R., 000–00–0000
HARDEN, PHILLIP W., 000–00–0000
HARRISON, TIMOTHY L., 000–00–0000
HAWKINS, ANITA M., 000–00–0000
HAYNIE, MICHAEL A., 000–00–0000
HEAD, RAYMOND O., 000–00–0000
HERLUGSON, GERALD C., 000–00–0000
HERNAN, EDWARD J., 000–00–0000
HETH, RANDY F., 000–00–0000
HILL, THEODORE R., 000–00–0000
HILTON, JEFFREY R., 000–00–0000
HOGAN, EDWARD F., 000–00–0000
HORST, EDWARD, 000–00–0000
HOWARDELL, STEVEN R., 000–00–0000
HUDGINS, STEPHEN R., 000–00–0000
HUNTER, DEREK B., 000–00–0000
INGRAHAM, RALPH M., 000–00–0000
INMAN, DANIEL E., 000–00–0000
JACOBS, BRIAN K., 000–00–0000
JACOMO, RAYMOND G., 000–00–0000
JAGUSCH, ROBERT C., 000–00–0000
JEHLE, GLENN E., 000–00–0000
JOHNSON, BRIAN L., 000–00–0000
JOLLY, JAMES M., 000–00–0000
JONES, HAROLD W., JR., 000–00–0000
JONES, RODNEY A., 000–00–0000
KANE, KEITH W., 000–00–0000
KEATING, PATRICK E., JR., 000–00–0000
KELLY, DAVID J., 000–00–0000
KESSLER, MELVIN P., 000–00–0000
KINNUNEN, RUSSELL J., 000–00–0000
KRAIZA, KATHLYNE D., 000–00–0000
LABARGE, GLENN T., 000–00–0000
LABEDZ, DAVID D., 000–00–0000
LANEY, MILLARD, JR., 000–00–0000
LATOSKY, DAVID A., 000–00–0000
LAW, CALVIN C., 000–00–0000
LEMIRE, KEVIN M., 000–00–0000
LEPINE, BRIAN M., 000–00–0000
LOKER, KENNETH R., 000–00–0000
LOMBARDO, CARLO D., 000–00–0000
MAC DONALD, MICHAEL F., 000–00–0000
MAGUIRE, ROBERT E., 000–00–0000
MANNING, KENNETH D., JR., 000–00–0000
MANTO, LEON H., JR., 000–00–0000
MARKER, WILLIAM A., 000–00–0000
MASON, KEVIN B., 000–00–0000
MATHES, JEFFREY G., 000–00–0000
MATTSON, DEBRA L., 000–00–0000
MC CAIN, WILLIAM S., 000–00–0000
MC CLOSKEY, MICHAEL G., 000–00–0000
MC CLURE, KENNETH D., 000–00–0000
MC DONALD, EDWARD W., 000–00–0000
MC DONALD, TODD, 000–00–0000
MC DOWELL, ANTHONY L., 000–00–0000
MC FARLAND, MICHAIL R., 000–00–0000
MC GRORY, MICHAEL S., 000–00–0000
MC NEARNEY, CHRISTOPHER L., 000–00–0000
MEADE, CLYDE D., 000–00–0000
MEDINA, JUAN G., 000–00–0000
MINERVINO, STEPHEN T., 000–00–0000
MITCHELL, DENNIS W., 000–00–0000
MOORE, JERRY, 000–00–0000
MOORE, JOSEPH N., 000–00–0000
MORDUS, DONALD R., 000–00–0000
MORRIS, ERNEST S., 000–00–0000
MOSELEY, ROBERT E., 000–00–0000
MOYERS, BRYAN M., 000–00–0000
MURPHY, SHAWN P., 000–00–0000
NEIS, STEFANO B., 000–00–0000
NEWSON, TYRONE L., 000–00–0000
NICKELL, SCOTT W., 000–00–0000
NIXON, CHARLES K., 000–00–0000
NOEL, WILLIAM E., 000–00–0000
NORTON, TIMOTHY W., 000–00–0000
NUSBAUM, MICHAEL S., 000–00–0000
OLIVAS, ABEL, 000–00–0000
ORTIZ, ROBERTO S., 000–00–0000
OSWALT, JAMES S., 000–00–0000
PAFFORD, ROBERT E., JR., 000–00–0000
PATCHES, ERIC W., 000–00–0000
PAULEY, SHIRLEY A., 000–00–0000
PEDRO, PAUL, JR., 000–00–0000
PEPPLER, STEPHEN G., 000–00–0000
PETERSON, DAVID L., 000–00–0000
PHELPS, JAMES R., 000–00–0000
PIET, MARCEL J., 000–00–0000
POLLARD, DANIEL T., 000–00–0000
POOLE, RODNEY C., 000–00–0000
POORE, THOMAS C., 000–00–0000
POREDA, MICHAEL J., 000–00–0000
PRICE, BOBBY R., 000–00–0000
PULLIN, BOBBY R., 000–00–0000
QUINTANILLA, OMAR, 000–00–0000
RABCHENIA, WILLIAM, 000–00–0000
RAMOS, JOSE R., 000–00–0000
REDDAWAY, TERRY A., 000–00–0000
REEVE, GEORGEANN, 000–00–0000
REINMUELLER, MARK R., 000–00–0000
REYNOLDS, FARLEY K., 000–00–0000
RICE, JERRY L., JR., 000–00–0000
ROBINSON, CHARLES E., 000–00–0000
RODENHIZER, BARRY G., 000–00–0000
RODRIGUEZ, JOSEPH A., 000–00–0000
ROSE, JAMES S., 000–00–0000
ROTH, JULIE K., 000–00–0000
RUTLEDGE, WILLIAM R., JR., 000–00–0000
SANTIAGO, JORGE T., 000–00–0000
SCHMITT, MARK J., 000–00–0000
SEEFRIED, OSCAR E., 000–00–0000
SEITZ, GARY R., 000–00–0000
SHARP, LONNIE J., 000–00–0000
SHELLEY, DANIEL M., 000–00–0000
SHOCKLEY, SAMUEL R., 000–00–0000
SHORTRIDGE, DONALD C., 000–00–0000
SKIPWORTH, DAVID W., 000–00–0000
SLATON, JOHN J., 000–00–0000
SLOAN, CHARLES L., 000–00–0000
SMITH, BRENT W., 000–00–0000
SMITH, DONALD A., 000–00–0000
SMITH, ERIC L., 000–00–0000
SMITH, JOHNNYE L., 000–00–0000
SORUKAS, ROBERT V., 000–00–0000
SPANKA, DAVID W., 000–00–0000
SPOONER, WILLIAM P., 000–00–0000
STANCLIFF, KEITH J., 000–00–0000
STAPLETON, DEAN A., 000–00–0000
STEVENS, RICHARD D., 000–00–0000
STOKES, DAVID L., 000–00–0000
STREIBLE, CLYDE L., 000–00–0000
STUBBLEFIELD, MICHAEL, 000–00–0000
SULLIVAN, ROBERT S., 000–00–0000
THOMAS, CHARLES S., 000–00–0000
THOMPSON, GEORGE N., 000–00–0000
THOMPSON, JAMES H., 000–00–0000
THOMPSON, ROLLINGS G., JR., 000–00–0000
TIMMONS, CHARLES S., 000–00–0000
TREM, DANIEL T., 000–00–0000
TUCKER, RAE M. G., 000–00–0000
VIGER, DAVID M., 000–00–0000
VILLA, FELIPE J., JR., 000–00–0000
VINCENT, BRYAN K., 000–00–0000
WALAWENDER, WILLIAM J., 000–00–0000
WALDEN, WILLIE A., 000–00–0000
WALLACE, BRUCE J., 000–00–0000
WESTON, TOM P., 000–00–0000
WHITAKER, BILLY H., 000–00–0000
WHITE, RONALD L., JR., 000–00–0000
WILLIAMS, RICHARD L., 000–00–0000
WOOD, JOHN W., 000–00–0000
WOODFORD, JOSEPH E., 000–00–0000
WORLEY, GREGORY K., 000–00–0000
WRIGHT, WILLIAM D., 000–00–0000
YOHNKE, MICHAEL, R., 000–00–0000
YOUMANS, DAVID D., 000–00–0000
YOUNG, GERALD N., 000–00–0000

THE FOLLOWING-NAMED TEMPORRARY LIMITED DUTY OFFICERS, TO BE APPOINTED PERMANENT LIEUTENANT IN THE SUPPLY CORPS AS LIMITED DUTY OFFICERS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5589(A):

LIMITED DUTY OFFICERS, SUPPLY CORPS (PERMANENT)

To be lieutenant

BRESSMAN, ERIC K., 000–00–0000
CARSTEN, DIANA J., 000–00–0000
CORNELIUS, WANDA A., 000–00–0000
DARIENZO, JUANITA M., 000–00–0000
DOWHY, MARK E., 000–00–0000
KAUFMAN, KURTIS V., 000–00–0000
KLODNICKI, CHESTER A., 000–00–0000
NEGRON, JOSE A., 000–00–0000
PETERSON, CRAIG O. 000–00–0000
PITTMAN, ANNABELLE 000–00–0000
SEXTON, CHARLES P., 000–00–0000
SWAIN, ALVIN L., JR., 000–00–0000

THE FOLLOWING-NAMED TEMPORARY LIMITED DUTY OFFICERS, TO BE APPOINTED PERMANENT LIEUTENANT

IN THE LAW PROGRAM AS LIMITED DUTY OFFICERS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5589(A):

LIMITED DUTY OFFICERS, LAW PROGRAM

(PERMANENT)

To be lieutenant

MASON, JOSEPH K., JR., 000–00–0000
THOMPSON, CHARLOTTE A., 000–00–0000

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. *. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

MEDICAL SERVICE CORPS

To be major

*ROBERT T. AARHUS, 000–00–0000
*GLADYS M. ALEMAN, 000–00–0000
JOHN G. ALVAREZ, 000–00–0000
RANDALL G. ANDERSON, 000–00–0000
DACOSTA E. BARROW, 000–00–0000
JOSE A. BETANCOURT, 000–00–0000
DAVID A. BITTERMAN, 000–00–0000
*STEPHEN V. BOWLES, 000–00–0000
*ANDREW M. BOYD, 000–00–0000
*MARILYN D. BREW, 000–00–0000
MITCHELL E. BREW, 000–00–0000
*DENNIS C. BROWN, 000–00–0000
DAVID P. BUDINGER, 000–00–0000
*KYLE D. CAMPBELL, 000–00–0000
*THERESA O. CANTRELL, 000–00–0000
MARC L. CAOUETTE, 000–00–0000
VINCENT C. CARNAZZA, 000–00–0000
KENNETH E. CASHWELL, 000–00–0000
*ROLANDO CASTRO, JR, 000–00–0000
*WILLIAM C. CHAMBERS, 000–00–0000
*JACQUELINE B. CHEN, 000–00–0000
*TYRONE P. CHERRY, 000–00–0000
SCOTT W. CHILDERS, 000–00–0000
*LORETTA J. CLARK, 000–00–0000
*KELLIE A. COLE, 000–00–0000
LAWRENCE B. CONNELL, 000–00–0000
*LUCIOUS COOPER, JR, 000–00–0000
WILLIAM M. CORSER, 000–00–0000
JEFFREY S. COUCH, 000–00–0000
MARCUS W. CRONK, 000–00–0000
RICHAR CROUTHARMEL, 000–00–0000
*ALAN D. CUSHEN, 000–00–0000
THERESA L. CUTLER, 000–00–0000
MUSTAPHA DEBBOUN, 000–00–0000
*MARY J. DOOLEY, 000–00–0000
*FREDRICK G. DUBOIS, 000–00–0000
*TIMOTHY M. DUFFY, 000–00–0000
*JASON D. DUNAVANT, 000–00–0000
*RAYMOND F. DUNTON, 000–00–0000
*RICHARD C. EDWARDS, 000–00–0000
GREGORY D. EVANS, 000–00–0000
LAWRENCE E. FINLEY, 000–00–0000
*TERRENCE FLANAGAN, 000–00–0000
RALPH A. FRANCO, 000–00–0000
*WILLIAM G. FULLER, 000–00–0000
*JOHN M. GAAL, 000–00–0000
*EDNA GARCIAPENA, 000–00–0000
*MICHAEL P. GRIFFIN, 000–00–0000
*JEFFREY A. HAFFA, 000–00–0000
*JOHN P. HAGEN, 000–00–0000
*MARY E. HALLMARK, 000–00–0000
BRUCE E. HASELDEN, 000–00–0000
*JOSEPH L. HEPNER, 000–00–0000
*DAVID J. HILBER, 000–00–0000
*VINCENT B. HOLMAN, 000–00–0000
KENNETH R. HORNE, 000–00–0000
*REGINALD D. HOSKINS, 000–00–0000
*LAURENCE T. HUNTER, 000–00–0000
CHARLES HUNTSINGER, 000–00–0000
*DONALD H. HUTSON, 000–00–0000
*ANTHONY INTREPIDO, 000–00–0000
*CHRIS D. JENKINS, 000–00–0000
*KENNETH D. JOHNSON, 000–00–0000
*MATTHEW D. KINSER, 000–00–0000
BERTHONY LADOUCEUR, 000–00–0000
CYNTHIA M. LAMB, 000–00–0000
*NACIAN A. LARGOZA, 000–00–0000
*WILLIAM S. LEHMAN, 000–00–0000
*ERICH K. LEHNERT, 000–00–0000
*IRWIN M. LENEFSKY, 000–00–0000
*KATHLEEN S. LESTER, 000–00–0000
*SAMUEL G. MACK, 000–00–0000
RODGER K. MARTIN, 000–00–0000
VAL J. MARTIN, 000–00–0000
*BENITA A. MCLARIN, 000–00–0000
JOSE MELENDEZ, JR, 000–00–0000
*WILLIAM H. MILLAR, 000–00–0000
*DEBRA L. MILLER, 000–00–0000
*STEVEN W. MORSE, 000–00–0000
*VICKI L. MORSE, 000–00–0000
ROY E. MULLIS, 000–00–0000
ERNEST L. NELON, 000–00–0000
*NEWT OLIPHANT, III, 000–00–0000
CHARLES P. OLIVER, 000–00–0000
MICHAEL R. PANKRATZ, 000–00–0000
*PHILLIP PEMBERTON, 000–00–0000
*LIVIA I. PEREZ, 000–00–0000
*KRISTIN PETTIGREW, 000–00–0000
*GREGORY S. PORTER, 000–00–0000
*GUILLERMO J. QUILES, 000–00–0000
*JUDITH D. ROBINSON, 000–00–0000
*RUPERT J. ROCKHILL, 000–00–0000
LINDA C. ROSS, 000–00–0000
*JESUS H. RUIZ, 000–00–0000
*JERALD W. RUMPH, 000–00–0000
*JEFFREY R. RYAN, 000–00–0000
PATRICK D. SARGENT, 000–00–0000
*WILLIAM L. SHEPLER, 000–00–0000
*JEFFREY M. SLOAN, 000–00–0000
*MICKIE D. SMITH, 000–00–0000
*ROBERT L. SMITH, 000–00–0000
*TODD N. SMITH, 000–00–0000
*ANGELO J. ST, II, 000–00–0000
RICHARD L. STEPANEK, 000–00–0000
REGINALD L. STEWART, 000–00–0000
*ALAN K. STONE, 000–00–0000
*ANDREW A. STOREY, 000–00–0000
*GUY S. STRAWDER, 000–00–0000
*JOHN A. STUART, 000–00–0000
*EDWIN C. SUPPLEE, 000–00–0000
*KIMBRELL SWINDALL, 000–00–0000
*TIMOTHY R. SWINGLE, 000–00–0000
*LINDA S. THOMAS, 000–00–0000
*PHILLIP B. THORNTON, 000–00–0000
*NATHANIEL TODD, 000–00–0000
*SALLI O. TOLK, 000–00–0000
*IGNACIO R. TORRES, 000–00–0000
*THOMAS C. VANCOTT, 000–00–0000
*HELEN B. VISCOUNT, 000–00–0000
JAMES T. WALSH, 000–00–0000
PETER A. WEBB, JR, 000–00–0000
DEBORAH B. WESLOH, 000–00–0000
KEVIN M. WESLOH, 000–00–0000
*DONNA S. WHITTAKER, 000–00–0000
THOMAS B. WILLIAMS, 000–00–0000
ROBERT C. WREN, 000–00–0000
*DAVID A. WRIGHT, 000–00–0000
*PAUL D. WUERDEMAN, 000–00–0000
*WILLIAM P. WYETH, 000–00–0000

MEDICAL SPECIALIST CORPS

To be major

*MICHAEL K. CAVANAGH, 000–00–0000
ANDREA S. EIGEL, 000–00–0000
*PETER A. FORSBERG, 000–00–0000
*TIMOTHY J. GANGEL, 000–00–0000
*CYNTHIA L. HARTMAN, 000–00–0000
*KAROLINE D. HARVEY, 000–00–0000
*TERESA M. KEMMER, 000–00–0000
*EUGENE P. KISTLER, 000–00–0000
*RODERICK KUWAMOTO, 000–00–0000
*JAMES M. OGLETREE, 000–00–0000
*CHRISTINE N. PARKER, 000–00–0000
*BEVERLY D. PATTON, 000–00–0000
*MICHAEL ROBERTSON, 000–00–0000
*LEANNE M. SPARROW, 000–00–0000
*BARBARA A. SPRINGER, 000–00–0000
*THOMAS G. SUTLIVE, 000–00–0000
*RAFAE VARGASMORENO, 000–00–0000
*RONALD R. WERNER, 000–00–0000
*LYNN D. WILKINSON, 000–00–0000

VETERINARY CORPS

To be major

*DUANE A. BELOTE, 000–00–0000
*TERRELL BLANCHARD, 000–00–0000
MARK E. BOHANNON, 000–00–0000
*TERRY K. BUSHE, 000–00–0000
*TERRI R. CLARK, 000–00–0000
*PAUL H. DAKIN, 000–00–0000
JIMMY B. DAVIS, 000–00–0000
*TERRY L. GOSCH, 000–00–0000
*BRADFOR HILDABRAND, 000–00–0000
DANIEL E. HOLLAND, 000–00–0000
*THOMAS LARSEN, 000–00–0000
*ASTRID J. MIRANDA, 000–00–0000
JOHN C. SMITH, 000–00–0000
*KEITH E. STEELE, 000–00–0000
*CYNTHIA R. THACKER, 000–00–0000
*KELLY G. VEST, 000–00–0000
NAN VINCENT-JOHNSON, 000–00–0000
ROBERT L. VOGELSANG, 000–00–0000
*NEAL E. WOOLLEN, 000–00–0000

ARMY NURSE CORPS

To be major

*CYNTHIA J. ABBADINI, 000–00–0000
*BARBARA J. ACSELROD, 000–00–0000
*BETHANY ALEXANDER, 000–00–0000
*ANN M. ALTMAN, 000–00–0000
*KELLY M. AMBROSI, 000–00–0000
*YVONNE L. ANTHONY, 000–00–0000
*RACHEL A. ARMSTRONG, 000–00–0000
*WANDA E. ARNOLD, 000–00–0000
*JEFFREY S. ASHLEY, 000–00–0000
*JAMES R. AYLOR, 000–00–0000
*SHERRI L. BAKER, 000–00–0000
*BARBARA L. BALLARD, 000–00–0000
*MONA O. BINGHAM, 000–00–0000
*JOY D. BLACK, 000–00–0000
*JULIE A. BLANKE, 000–00–0000
*JOHN C. BLOWER, 000–00–0000
*ANN M. BLUNT, 000–00–0000
*JUDITH A. BOCK, 000–00–0000
*LINORE S. BOUSKA, 000–00–0000
*STEPHEN P. BOYCHUCK, 000–00–0000
*DEBRA D. BOYKINS, 000–00–0000
*JEANNE M. BRUMMITT, 000–00–0000
*ARTHUR K. BRYSON, 000–00–0000
*JAMES F. BYRNE, 000–00–0000
*IRVIN H. CARTY, 000–00–0000
*TODD A. CHAMBERS, 000–00–0000
JAMES R. CHARLES, 000–00–0000
*CAROLYN R. CHASE, 000–00–0000
*GERALYN K. CHERRY, 000–00–0000
*LAUREN S. CIERI, 000–00–0000
*ROSA J. CLARK, 000–00–0000
*MARY B. COTY, 000–00–0000
*NANCY M. COX, 000–00–0000
*BEVERLY A. CROSBY, 000–00–0000
*LUISA E. CRUZ, 000–00–0000
*KAREN J. CULBERTSON, 000–00–0000
*THOMAS A. DARISSE, 000–00–0000
*NANCY C. DAVENPORT, 000–00–0000
*SUSAN E. DAVIS, 000–00–0000
*FLAVIA D. DIAZHAYS, 000–00–0000
*THOMAS C. DILLON, 000–00–0000
*STEVEN R. DRENNAN, 000–00–0000
*MADELINE DUNNIHOO, 000–00–0000
*RENE C. DZIENKOWSKI, 000–00–0000
*RHONDA L. EARLS, 000–00–0000
*SUSAN E. EDGETTE, 000–00–0000
*JOHN E. EILAND, 000–00–0000
*PAULA J. FRATZKE, 000–00–0000
*HEIDI A. FUERY, 000–00–0000
*MARILUZ GONZALEZ, 000–00–0000
*TAMMY S. GONZALEZ, 000–00–0000
*PETRA GOODMAN, 000–00–0000
*WILLIAM J. GORMAN, 000–00–0000
*JUDITH A. GRAHAM, 000–00–0000
*BRADLEY C. GREGORY, 000–00–0000
*MARY C. GUNTER, 000–00–0000
*TODD R. GUSTAFSON, 000–00–0000
*JOAN HANDLEY–RILEY, 000–00–0000
*COLLEEN M. HART, 000–00–0000
*PAMELA J. HAVENS, 000–00–0000
*BROOKE A. HEALY, 000–00–0000
*DONNA M. HEIMER, 000–00–0000
*STEVEN R. HENDRIX, 000–00–0000
*WALT HINTON, 000–00–0000
*THERESA A. HORNE, 000–00–0000
*ANN A. HUSSA, 000–00–0000
*NORA D. HUSSEY, 000–00–0000
*DORIS L. JOHNSON, 000–00–0000
*PATRICIA A. KELLY, 000–00–0000
*DANIEL O. KENNEDY, 000–00–0000
*DONNA J. KENT, 000–00–0000
*NORMA E. KING, 000–00–0000
*CHRISTINE B. KNOTT, 000–00–0000
*KAREN L. KRAKOWIAK, 000–00–0000
*CHRISTINE KUBIAK, 000–00–0000
*LISA M. LATENDRESSE, 000–00–0000
*CHRISTINE M. LEECH, 000–00–0000
*TAMARA J. LUTZ, 000–00–0000
*LAURA A. MARTIN, 000–00–0000
*JAMES MASIONGALE, I, 000–00–0000
*ELIZABETH A. MCGRAW, 000–00–0000
*DARLENE M. MCPHEE, 000–00–0000
*FRANKLIN J. MCSHANE, 000–00–0000
*CHRISTINE M. MERNA, 000–00–0000
*MICHAEL J. MEYER, 000–00–0000
*ELIZABETH P. MILLS, 000–00–0000
*STEVEN R. MORSE, 000–00–0000
*PENNY M. MOUREAU, 000–00–0000
*GERTRUDE F. NEILL, 000–00–0000
JIMMI OWENSOSBORNE, 000–00–0000
*DIANA M. PARHAM, 000–00–0000
*JOE D. PENA, 000–00–0000
*IRMA S. PENNINGTON, 000–00–0000
*ALLYSON A. PETERSON, 000–00–0000
*KRISTIN B. PHILLIPS, 000–00–0000
*NANCY L. PIERCE, 000–00–0000
*CYNTHIA L. PORTER, 000–00–0000
*KATHY K. PRUEOWENS, 000–00–0000
RITZA REESE, 000–00–0000
*SHARON E. REESE, 000–00–0000
*MARTHA H. RENNAKER, 000–00–0000
ENRIQUE RIVERA, JR, 000–00–0000
PRI ROBINSON–SMALLS, 000–00–0000
*MARJORIE E. RODDY, 000–00–0000
DOUGLAS RUTKOWSKI, 000–00–0000
*MAUREEN L. SCHAFER, 000–00–0000
*DIANE D. SCHERR, 000–00–0000
CHRISTINE SCHILLER, 000–00–0000
*BRUCE A. SCHONEBOOM, 000–00–0000
J. SMARTHTALIAFERRO, 000–00–0000
*KIMBERLY K. SMITH, 000–00–0000
*MARC A. SMITH, 000–00–0000
CYNTHIA SPEARS, 000–00–0000
*SHARON L. STERLING, 000–00–0000
*MICHELE R. STONE, 000–00–0000
*JANE A. SUBLETTE, 000–00–0000
*MARY E. ULRICH, 000–00–0000
*BARRY A. VANCE, 000–00–0000
*DONALD L. VANDAM, 000–00–0000
*PAULA M. VARNEY, 000–00–0000
*MIMI E. VELOSO, 000–00–0000
*MICHAEL D. WEGNER, 000–00–0000
*MELODY J. WELDON, 000–00–0000
*JEFFREY H. WHITE, 000–00–0000
*RUTH V. WHITE, 000–00–0000
*DIANE M. WINFREY, 000–00–0000
*THOMAS G. WINTHROP, 000–00–0000
*ANNETTE L. WUEST, 000–00–0000