Medicare recommended under section 307, address the long-term solvency of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), high priority should be given to proposals which identify, eliminate, and recover funds expended from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund due to, fraud and abuse in such program.

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

Mr. COHEN. Yes, I yield for a question.

Mr. EXON. The Senator from North Dakota has a bill that he would like to proceed to introduce, as in morning business, and take 10 minutes to talk about it. It has nothing to do with the measure at hand. After the conclusion of the opening remarks on the offering of his amendment, I would appreciate that side accommodating the Senator from North Dakota, if that is satisfactory, and the time will be charged to us.

Mr. DOMENICI. Mr. President, might I inquire, the Senator said it is unrelated to the budget?

Mr. EXON. Yes, unrelated to the budget.

Mr. DOMENICI. We have a similar request, Mr. President. Did the Senator from Wyoming wish some time? Did he not want to introduce a bill?

Mr. THOMAS. Three minutes, if I may.

Mr. DOMENICI. May we have, immediately following, 3 minutes for the junior Senator from Wyoming?

Mr. EXON. I assume the Senator from Maine would want to go ahead and offer his amendment at this time.

The PRESIDING OFFICER. The Senator from Maine offered the amendment.

Mr. EXON. I thank the Senator from Maine and the chairman of the committee.

The PRESIDING OFFICER. Without objection, it is so ordered. We will proceed with the Senator from North Dakota, followed by the Senator from Wyoming for 3 minutes, and then the Senator from Maine.

Mr. CONRAD. I thank the Chair.

(The remarks of Mr. CONRAD pertaining to the introduction of S. 840 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

Mr. LOTT. Will the Senator yield?

Mr. THOMAS. Yes.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, I ask unanimous consent that a vote occur on or in relation to the Cohen Medicare fraud amendment, to be followed immediately by a vote on or in relation to the Democratic education amendment, at 7:15 p.m. this evening, with the first vote limited to the regular 20-minute time limit, and the second vote limited to 10 minutes in length. I note at this point that this has been cleared with the Democratic side of the aisle. I further ask that no points of order be considered as having been waived by this agreement.

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

Mr. LOTT. I further ask unanimous consent that no second-degree amendments be in order to either amendment, and that the time between now and 4:30 be equally divided for consideration of the Cohen amendment, and the time from 4:30 p.m. to 7:15 p.m. be equally divided on the Democratic education amendment, and that following the two back-to-back votes, Senator ABRAHAM be recognized to offer an amendment relative to education.

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

Under the previous order, the Senator from Maine is recognized.

AMENDMENT NO. 1116, AS MODIFIED

Mr. COHEN. I send a modification of my amendment to the desk.

The PRESIDING OFFICER. The Senator has that right.

The amendment is so modified.

The amendment (No. 1116), as modified, is as follows:

Strike all after the word ''section'' and insert the following:

SEC. . SENSE OF THE SENATE REGARDING LOSSES OF TRUST FUNDS DUE TO FRAUD AND ABUSE IN THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) the General Accounting Office estimates that as much as $100,000,000,000 are wasted each year in the health care system due to fraud and abuse;

(2) outlays for the medicare program under title XVIII of the Social Security Act during fiscal year 1995 were $161,100,000,000, and the General Accounting Office estimates that up to 10 percent of those outlays were wasted because of fraud and abuse;

(3) medicare beneficiaries incur higher out-of-pocket costs and copayments due to inflated billings resulting from fraudulent and abusive practices perpetrated against the medicare program; and

(4) funds lost because of fraud and abuse are contributing to the financial crises of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as identified by the Boards of Trustees of such trust funds in their 1995 annual reports.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that as the Committee on Finance of the Senate and if established, the Bipartisan Commission on the Solvency of Medicare recommended under section 307, address the long-term solvency of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), high priority should be given to proposals which identify, eliminate, and recover funds expended from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund due to, fraud and abuse in such program.

In addition, the Senate assumes that funds recovered from enhanced anti-fraud and abuse efforts be used to fund health care anti-fraud and abuse enforcement efforts, reimbursements to the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund for losses due to fraud and abuse, and deficit reduction.

Mr. COHEN. The focus of debate today has been on what to do about Medicare. I think all of us share the concern over the grim news that the Medicare trustees announced a few weeks ago, namely, that the Medicare trust fund is going bankrupt.

I support the budget resolution that calls for a bipartisan commission to devise a plan to basically pull Medicare out of its financial crisis. Just as we restored public confidence in the Social Security system over a decade ago through a bipartisan panel, the only way to fix Medicare is also through a bipartisan panel.

The amendment I am offering today for myself, Senators DOLE and BRADLEY, urges the bipartisan commission to give high priority to a problem that is costing the Medicare Program, senior citizens, and taxpayers across the country billions of dollars every year: health care fraud in Medicare.

For the past 3 years, the staff on the Senate Special Committee on Aging has been investigating the explosion of fraud and abuse throughout the U.S. health care system. Nearly a trillion dollars is spent on health care each year, and roughly 10 percent is lost through abusive practices and fraudulent activities.

Over the past 5 years, the estimated losses from health care system fraud total $418 billion. That is four times the amount lost to the savings and loan crisis—all those scandals, four times the amount just in the past 5 years.

A major victim of this health care fraud is the American taxpayer. In 1993, spending on Medicare and Medicaid totaled some $272 billion, or over 30 percent of all the moneys we spend on health care in this country. The Federal Government loses as much as $30 billion a year due to fraud in the Medicare and Medicaid systems and as much as $44 billion from fraud when we take into account all of the Federal health care programs.

Taxpayers are losing $44 billion a year today through health care fraud. I think this only represents a tiny fraction of the problem. These are the ones that we know about, the ones that are being caught and prosecuted. I think they represent a tiny fraction of the level of fraudulent activity taking place in this country.

Mr. President, it is shockingly simple to defraud the current system. The payors are running as fast as they can to process the over four billion claims that are filed every year, and law enforcement simply is lacking in the resources necessary to really detect and prosecute this fraudulent activity.

Recently the Aging Committee heard, I think, some compelling testimony on the extent of the fraud in this country. FBI Director, Louis Freeh, testified ''We see cocaine dealers turning into health care fraud entrepreneurs'' because that is where the money is big—but enforcement is little.

Director Freeh also told the committee about how the Russian mafia and other organized criminal groups from every corner of the globe are now engaged in creative schemes to siphon off money from the Government and private health care funds.

Mr. President, padding claims and cost reports, charging the Government beneficiaries outrageous prices for unbundled services, and billing Medicare for program costs that have nothing to do with patient care are but a few of the schemes that are currently ruining our system.

The Medicare system is the one that is being targeted because of its sheer size and complexity. At our hearing, the Aging Committee heard testimony that we are experiencing ''a feeding frenzy'' on the Medicare and Medicaid Programs, equivalent to ''unprecedented white collar wilding in which wave after wave of multimillion dollar frauds have swept through nursing homes and hospitals, clinics and pharmacies, durable medical equipment, radiology and labs, and more recently, home health care.''

I would like to share with my colleagues just a few examples of how Medicare is being exploited and how fraudulent providers are draining Medicare, siphoning off these precious dollars from the Medicare trust fund and increasing the costs for senior citizens.

A chain of health home care companies were discovered by Medicare auditors to have been billing Medicare for over $16,000 in alcoholic beverages at conferences, over $9,800 in personal travel for the owner's family, and over $3,200 in golf shop expenses. The home care companies also allegedly charged the Medicare Program for over $100,000 in promotional items given to doctors and others to encourage them to use the company's home health care, including $85,000 in gourmet popcorn provided to doctors. Let me repeat that: $85,000 for gourmet popcorn going to doctors to promote the use of these home care companies.

Mr. President, it is difficult to call on our senior citizens to bear cuts in Medicare when they learn that their Medicare taxes and premiums are being used to pay for gourmet popcorn.

It is not limited to gourmet popcorn and golf shop fees. Let me give a couple of other examples of the costs that are driving Medicare close to bankruptcy.

We have the case of a phantom laboratory allegedly cheating Medicare out of $300,000 for lab tests that were never performed. The so-called lab submitted the bills that were really no more than a rented mailbox and a Medicare billing number.

We had a medical equipment supplier billed Medicare close to $1,300 apiece for wheelchair pads that cost about $50 to $100 to manufacture, representing a markup of roughly 2,500 percent.

We have an equipment supplier that allegedly billed Medicare for $4,000 apiece for compressors used to treat swelling. The devices cost less than $500 each.

We have a chiropractor and his wife who defrauded Medicare and private insurers by billing for services never provided. One time bills were submitted for 169 patients supposedly treated in a single day.

We had four companies who peddled liquid nutritional supplements by offering ''free medical milk.'' These companies then billed Medicare for over $14 million for the supplements that were not medically necessary, and that were often not even delivered to the Medicare patients.

While I want to emphasize that by far most health care providers are honest professionals with only the best interest of patients and Medicare beneficiaries in mind, without a doubt there is fraud in each segment of the health care industry. The cases I have mentioned are just a small example of the kinds of rip-offs that are being perpetrated day in and day out in our Medicare Program, and indeed, throughout the entire U.S. health care system.

Mr. President, we cannot wait any longer. I have tried for the past 2 years to introduce legislation that would deal with Medicare fraud. Each time it has been blunted. On the one hand, the Senate passed an amendment to the crime bill containing some of the provisions of my legislation, only to have the House strip them out saying that this anti-fraud legislation does not belong on the crime bill. It belongs on health care reform. Of course, we did not have health care reform last year.

I tried every single way to attach the health care fraud legislation to appropriations bills last year, including the D.C. appropriations bill, but others sought to amend it, because they wanted to load down this amendment with other issues.

Mr. President, as a result of this, we have had to wait for health care fraud reforms. What we are doing is we are losing roughly $11.5 million to health care fraud every hour. That is precisely what is being lost through fraud. We are losing $11.5 million an hour, $275 million a day, $100 billion a year.

Mr. President, this legislation that I have introduced the past 2 years was included in virtually every health care bill that was circulating last Congress: The Dole bill, the President Clinton bill, the so-called Mainstream Coalition bill. These provisions in the legislation that I have introduced had the support of the Justice Department, the Director of the FBI, and the Department of Health and Human Services' inspector general. I believe the White House is now also advocating health care fraud enforcement measures.

Now is the time to move forward with the bill. It has been introduced and will be considered as separate, free-standing legislation, hopefully in the very near future. In the meantime, what we have to do is at least go on record as saying we have to put a stop to the level of fraud taking place in our health care system today, particularly in Medicare and Medicaid.

This resolution calls upon the bipartisan panel to look at ways in which we can reduce the perpetration of fraud against our system, that those moneys can be saved. Perhaps we will not be able to recover all the dollars lost to health care fraud in Medicare, but we will be able to recover some of these billions that are now being lost to fraud and abuse. Hopefully, the amounts recovered will be used to increase our health care fraud enforcement efforts, to reduce the deficit, and to apply to the Medicare trust fund itself. It seems to me that would be an appropriate recommendation for the trustees of the Medicare trust fund to endorse.

I am hoping that we will use the same sort of bipartisan commission to restore public confidence in the solvency of Medicare that was formed in the wake of the declaration over a decade ago that Social Security was going broke.

I mentioned this morning during my remarks that the issue was exploited by the Democratic majority at that time. They waited until after the 1982 elections were over and exploited the issue and then came back in and said, ''Let us form that bipartisan panel.''

We did. The Social Security trust fund is solvent at least until the year 2020 or 2030. We need to do precisely the same thing now. We have to call together a bipartisan panel to look at what is taking place in our health care system. The FBI has identified areas of fraud. We can look at the New York Times on Sunday's edition and find another example of the kind of scams that are being perpetrated against our elderly—not confined just to health care, but scams that target the elderly in general—and we have to put a stop to it. We have an opportunity to take a big step toward cracking down on scams targeting the elderly and programs serving the elderly by passing legislation that will give the tools and resources necessary to law enforcement officials to accomplish that end.

There should be no political disagreement on this issue. This cannot be delayed another day, another week, another year, or else the very people that we are trying to help who are now facing the prospect of having their Medicare trust fund go broke within a 6½ year period of time will be the ultimate losers. We will be the ultimate losers.

We have an opportunity to prevent that from taking place through reforms contained in the budget resolution itself, which Senator DOMENICI as chairman is calling for so we do not see the growth of 10.5 percent but rather 7 or 7.1 percent. In that 7.1 percent, we can save billions of dollars by adopting the legislation that everyone says that we need.

Mr. President, I will not take a great deal of time today since time has now been limited. Let me say that this is an

important resolution. Hopefully, it will enjoy bipartisan and perhaps even unanimous support, so we can all go on record as in favor of giving this panel an opportunity to consider ways to shape legislation to prevent the kind of fraudulent activity that is robbing our senior citizens of their trust funds and driving up the costs of Medicare and the entire health care system.

Mr. President, I reserve the balance of my time.

The PRESIDING OFFICER (Mr. CRAIG). If neither side yields time, the time is charged equally.

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

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

Mr. CONRAD. Mr. President, I ask unanimous consent that we go into a quorum call and that both sides be charged equally.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 1116, AS FURTHER MODIFIED

Mr. GREGG. Mr. President, I ask unanimous consent that the amendment presented at the desk by Senator COHEN be modified. I send a copy of the modification to the desk.

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

The amendment (No. 1116), as further modified, is as follows:

On page 94, after line 21, add the following new section.

SEC. . SENSE OF THE SENATE REGARDING LOSSES OF TRUST FUNDS DUE TO FRAUD AND ABUSE IN THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) the General Accounting Office estimates that as much as $100,000,000,000 are wasted each year in the health care system due to fraud and abuse;

(2) outlays for the Medicare program under title XVIII of the Social Security Act during fiscal year 1994 were $161,100,000,000, and the General Accounting Office estimates that up to 10 percent of those outlays were wasted because of fraud and abuse;

(3) medicare beneficiaries incur higher out-of-pocket costs and copayments due to inflated billings resulting from fraudulent and abusive practices perpetrated against the medicare program; and

(4) funds lost because of fraud and abuse are contributing to the financial crisis of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as identified by the Boards of Trustees of such trust funds in their 1995 annual reports.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that as the Committee on Finance of the Senate and, if established, the Bipartisan Commission on the Solvency of Medicare recommended under section 307, address the long-term solvency of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), high priority should be given to proposals which identify, eliminate, and recover funds expended from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund due to, fraud and abuse in such program.

In addition the Senate assumes that funds recovered from enhanced antifraud and abuse efforts be used to fund health care anti-fraud and abuse enforcement efforts, reimbursements to the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund for losses due to fraud and abuse, and deficit reduction.

Mr. HATCH. Mr. President, by most estimates, the costs of health care in the United States approach $1 trillion annually. By the turn of the century, the figure will exceed $1.5 trillion, consuming up to 16 percent of the Nation's gross domestic product.

Since health insurance experts, the FBI, and other agencies agree that fraud and abuse can account for as much as 5 to 10 percent of these costs, any effort to rein in health spending needs to address this problem. That is why I commend my colleague from Maine for bringing his amendment to the floor.

Still, I must raise some concerns about the language my colleague proposes which would have the Senate go on record in support of using health care fraud related fines and penalties to finance our investigative efforts in this area.

Frankly, I feel it is a dangerous precedent. We need to carefully contemplate whether such a financing mechanism will taint our anti-fraud effort.

Historically, Congress has frowned on financing law enforcement activities through criminal and civil fines and penalties. Yet, this amendment—as did most of the major health care bills last Congress—suggests that our Nation's antifraud efforts should be funded through fines, penalties, and damages collected.

I believe this sort of a system will create an incentive for Federal investigators to forgo prosecution or exclusion where warranted—or pursue civil actions where unwarranted—in favor of large civil penalties that will provide additional funding for investigators. Year after year, Federal agencies associated with such a program will be motivated by their immediate fiscal needs. I think this is a serious issue.

Americans have witnessed how civil forfeiture and the resultant dash for cash by law enforcement has, in some cases, inappropriately driven law enforcement investigations. We must be sure that we do not compromise the priorities and integrity of our law enforcement officials.

I also have concerns about taking one penny which could be used to replenish the Medicare trust funds and dedicating it to law enforcement purposes. According to the Congressional Budget Office, in fiscal year 1994, Federal spending for the Medicare Program totaled an estimated $162 billion, or over $440 million a day. CBO estimates that, in less than a decade, Medicare spending will more than double from $181 billion in 1995 to $463 billion in 2005.

Even by the most conservative estimates, billions of dollars are being lost to waste, fraud, and abuse and that is a luxury we cannot afford. However, Medicare's hospital insurance trust fund is going bankrupt; in fact, its balances will dip into the red next year. We should use any recoveries from illspent Medicare funds to put back into the trust funds, not for new purposes.

As I stated earlier in my remarks, I have strong concerns regarding the use of health care fraud related fines and penalties to finance investigative efforts in this area. Moreover, it seems to me that any funds recovered should be used for their original purpose which is to provide health care to Medicare beneficiaries.

I support the spirit with which my colleague offers this broadly crafted amendment. But, I have serious reservations about the so-called bounty hunter provisions contained in the second part of this sense-of-the-Senate amendment.

Nevertheless, I will support the Cohen amendment, but reserve my rights to debate this matter further on the floor should legislation in this area be considered.

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

The PRESIDING OFFICER. In suggesting that, does the Senator suggest that the quorum be divided equally?

Mr. GREGG. I ask unanimous consent that the time be charged equally with the time running against both sides.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to speak on the Harkin-Hollings amendment during the remainder of this time between now and the beginning of the debate on that amendment.

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

Mr. BINGAMAN. Mr. President, I do not think anybody disagrees that we need to reduce dramatically the portion of our revenues that we expend on interest on the national debt. There is no disagreement that the current level of debt which was built up particularly in the 1980's and early parts of this decade needs to be brought under control. The interest on that debt is robbing us of the ability to invest in our children and in our future. We need to bring our annual deficits down to zero. We need to start to reduce the underlying debt in order to ensure that our children are not saddled with the interest burden that we bear today.

Mr. President, we can go about this task in a shortsighted way by just cutting programs, including education and training programs and investments in our future, and reducing taxes at the same time—that is essentially what the Budget Committee has proposed. It said we shall cut programs, we shall take the savings from those cuts and reserve them for a tax cut . Or we can take the responsible and long-term and comprehensive approach that the Harkin-Hollings amendment will propose. That amendment restores funding to the function of the budget that provides for education and training, including student loans.

If we free our children from the burden of the Federal debt only by depriving them of the education and training they will need to compete and succeed in the global and technologically driven economy of the next century, then we have not been responsible. All we have done is trade one burden, which is debt payments, for another, which is inadequate skills. The budget resolution which has been presented does just that. It is anti-working-families and anti-seniors and anti-future.

What the Harkin-Hollings amendment does is to take the $170 billion the committee has identified and earmarked for a tax cut, and applies $40 billion of that to restore some of the funding that has been cut by the Republican budget in the areas of education and training. The $40 billion is still far short of what we should be restoring to that vital function, but it will help significantly.

When given the choice of a tax cut, which will go largely to wealthy taxpayers—at least the blueprint that the House has announced clearly intends that—or reinvestment in education and training for working citizens and for our neediest children, I do not think we should hesitate for a moment to forego the cut in taxes and seek the longer term benefit that we will reap from educating our children.

Let me make one thing very clear. The Budget Committee resolution does drastically cut education and training programs. I have heard various proponents for the budget say that all they are doing is restraining the growth in spending and not really cutting. That argument does not apply to the budget for education. The GOP budget does provide for less funding in 1996 than we are spending in 1995. It provides for a decreasing amount thereafter. Over 7 years, 25 percent is taken out of the level of funding for these programs, the level that they receive today, when you measure that in constant dollars.

Furthermore, the GOP figures make no adjustment for the fact that the population is growing. There will be 9 percent more children of school age in the next 7 years in this country. In my home State of New Mexico, the estimate is there will be 12 percent more children in school. But the GOP budget does not take into account that increase in the school age population. So the effect of the budget is to make States stretch dollars with a shrinking value over an increasing number of students.

Let me be specific. My State of New Mexico has the third highest rate of child poverty of any State in the country. More than 1 in 4 children in my State live in families with incomes below the poverty line. One-third of the students in New Mexico's schools have limited proficiency in English. Our school-age population has grown tremendously. It has grown much faster than the school-age population in most parts of the country, and that growth is anticipated to continue.

Against this background, we are facing actual decreases in funds for the programs that serve our students.

The title I program, formerly known as chapter 1, provides about $850 per disadvantaged student to help them meet high standards in math and in reading. That is the 1995 number, the current fiscal year, before the rescission that we have voted on and that the President has indicated he will veto.

The Budget Committee chairman has expressed an intent, expressed in this budget resolution, that title I funds not be cut but instead be frozen. If that intent is carried out by the appropriators and title I in fact is not cut the way that other education programs will be cut, the result for New Mexico is not that we will enjoy ''level funding'' of the program; no, it will mean that we receive the same number of dollars each year for the program. Those same number of dollars will buy less and less as the 7 years progress and the costs of education—supplies, teacher salaries, and energy costs—all increase.

So even if our population did not grow, we would be facing a decrease in the real buying power of the Federal dollars for education. But, of course, the population is growing. It is expected to grow over 12 percent in the next 7 years. So instead of 88,000 children being eligible for title I services in my State, as is the case today, there will be almost 99,000 eligible students by the year 2002. Today we serve 73 percent of the students eligible for title I. In 2002, that percentage will decline considerably to near 50 percent. That will mean almost 50,000 poor children from New Mexico who will not receive the services they need to meet high standards that we are setting for our children.

It is clear that if the funding is frozen to 1995 levels, then almost 4 million needy children will be denied assistance nationwide. If programs are cut at even 25 percent across the board, then title I would leave another 1 million children unserved.

What I just described assumes that title I will not be cut and that that proposal to not cut title I is carried out. If that assumption is correct, then all of the other programs will have to be cut drastically in order to achieve the overall decrease in the budget category that this budget requires.

What are some of those other programs? Technology is one of the programs. The current programs which are attempting to bring technology to the classroom will have to be cut. Mr. President, these programs are very, very limited at the present time. In 1995, we have committed $40 million to this effort, assuming the rescission bill does not pass. But even that would be seriously jeopardized if this budget resolution is adopted.

The Star Schools Program, again, would face a drastic cut. Obviously, we cannot tell just what the appropriators will do. The Star Schools Program tries to bring distance learning, technology-based education to our neediest schools, especially those in isolated rural areas, and those funds will likely be cut as well.

Because of the nature of Federal programs—which are usually targeted to the neediest students—withdrawal of Federal aid will hurt those States that are least able to make up the shortfall themselves. New Mexico is one of those States.

Let me talk for just a moment about higher education funding, Mr. President. The budget includes a $14 billion cut in student loan aid and an undetermined cut in Pell grants.

Mr. President, Pell grants are critical to students in my State. I noted above that the poverty rate in my State is among the highest in the Nation. The way out of poverty is education. Yet many of our citizens are not able to afford that education. They depend upon Pell grants. They depend upon work-study and Stafford loans and State aid to pay for the increased cost of higher education.

The GOP budget says that the Pell grants will remain at current funding—at least that is the apparent intent—but what does it mean? It means that the total Pell grant funding will remain at 1995 levels with no cuts or increase through the year 2002. That would mean that real funding, measured in constant dollars, would decline by reason of the growth of student population and by reason of inflation.

Today, about 33,000 students in New Mexico receive Pell grants. I think it is pretty obvious that this budget is going to either cut the amount these students receive in Pell grants or result in a much smaller percentage of our young people who are eligible to apply and receive those Pell grants.

It is clear to me that the budget is going to have a profound impact on students in my home State, even if you look just at the students who receive these Pell grants. When you look at other programs, you have to come to the same conclusion.

The Federal work study program provides about $5.4 million in grants to 6,300 students in our State.

The Federal supplemental opportunity grant program serves 6,500 students in our State.

Perkins loans serve over 5,000 students in New Mexico.

The numbers they have provided in this budget resolution point in one direction, Mr. President. The numbers indicate that the Stafford program will not be impaired, but if, in fact, we are going to save the $14 billion that is contemplated in the budget resolution, we are going to have to cut that program. We are going to have to charge interest to those students from the time they take those loans just as the House has proposed to do.

Mr. President, the proposal before us has as its purpose to cut the deficit. Clearly, we need to accomplish that. I am proud of the deficit reduction we have accomplished in the last 2 years. I am sorry we did not have the same zeal for deficit reduction by many of my colleagues when those votes were being cast in the last few years.

But cutting investment in education and training for our children is not the right way to accomplish deficit reduction. If this Nation is to remain the world leader in the 21st century, we cannot cut investments in our most important resource; that is, in our children.

The effect of this amendment that Senators HARKIN and HOLLINGS are offering would be to reduce the size of the proposed tax cut by $40 billion so we can return some reasonable level of support for education and training. It is an amendment that makes excellent sense for the future of America.

I urge my colleagues to support it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under a previous order, amendment No. 1116 is temporarily set aside.

Under the previous order, it would now be in order for a Democratic amendment regarding education.

Mr. EXON. That order had been agreed to previously; is that correct?

The PRESIDING OFFICER. It has.

Mr. EXON. Then the Chair will be recognizing the Senator from Iowa; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. EXON. I thank the Chair.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa, Senator HARKIN.

AMENDMENT NO. 1117

(Purpose: To restore funding to education by using amounts set aside for a tax cut)

Mr. HARKIN. Mr. President, I send an amendment to the desk on behalf of myself and Senator HOLLINGS.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself and Mr. HOLLINGS, proposes an amendment numbered 1117.

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

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

The amendment is as follows:

On page 74, strike lines 12 through 24 and insert the following: ''budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect $28,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on discretionary spending on education and $12,000,000,000 in budget authority and outlays for legislation that reduces the adverse effects on direct spending for education.

''(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 may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, discretionary spending limits under section 201(a) of this resolution, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (a).''.

Mr. HARKIN. Will the President please advise the Senators as to the timeframe now for debate on the education amendment?

The PRESIDING OFFICER. The time until 7:15 this evening is to be equally divided, with Senator BINGAMAN having asked unanimous consent and spoke using some of the time allocated to the Democratic side.

Mr. HARKIN. So between now——

The PRESIDING OFFICER. Right now the Senator has 72 minutes.

Mr. HARKIN. Mr. President, I join with Senator HOLLINGS in offering this amendment. I believe this amendment really does set the stage for what we are talking about in terms of priorities and choices. We all agree we need to get the deficit down and balance the budget, but what we have all talked about is in terms of reducing the deficit and what it does to help future generations of Americans. There has been a lot of talk about our responsibility to balance the budget for the sake of our children and their future, and that is true.

But what this budget does is it cuts off the very fountain of life and funding that ensures that our children and future generations will be able to have a better life in our country because of the devastating cuts that this budget makes in education.

We have seen report after report after report, study after study telling us about the importance of investing in education. I am reminded even of the group of CEO's that was brought together by President Reagan. These were not social planners and thinkers, these were CEO's of our major corporations, charged with the responsibility by President Reagan of determining what we needed to do in our educational system. They met, they filed their reports, and what they said basically is that we have to fund education, we have to fund early intervention programs, and we cannot back off on the Federal commitment to education.

The President of the United States, President Bush, convened the Governors, and in 1989 they set up the national education goals, agreed upon by a Republican President, by Republican and Democratic Governors, by the U.S. Congress—by the Senate and by the House—what our goals were in education by the year 2000.

Mr. President, we do not need any more reports. We know what needs to be done. We know how critical education and training is to competing in the world economy. We know that investing in education will save us money in the long run. We know that we are falling behind our competitors. We know that it is more difficult for middle-class families to pay for college education today. How many more reports do we need to tell us what we already know? We do not need any more reports.

We know that slashing education by the largest level ever is wrong. Taxing millions of college students with more debt is wrong. Denying Head Start to hundreds of thousands of young Americans is wrong. The amendment I am offering with Senator HOLLINGS will do what is right: It will keep us on the right path, the right course.

Our amendment restores $40 billion for education and training programs. Our amendment restores $12 billion for student loans, $28 billion for discretionary spending. It restores common sense by investing in education.

Mr. President, this is an anxious time for our Nation's students. They will soon be getting their report cards and, I must say, it is an anxious time for parents who are funding our kids in college. We want to see those report cards, too. We want to see how they have done in the classroom. I asked my daughter today if she got her report card from college. No, she did not have it yet.

I think it is time for us to look at a report card to see how this budget would do in our Nation's classrooms. Let us see if this budget that we have before us passes or fails, what kind of a grade it gets.

So let us look at the different assignments, Mr. President, and I have it here on the report card. Let us look at the different assignments that the people of this country have given to us, the national education goals, what they have set out. Let us see how this budget does on a report card.

Our first assignment was to make college affordable for students and for working families. How does this budget do? It cuts student loans and reduces PELL grants by 40 percent. It cuts $5 billion from other grant and loan programs. It increases the personal debt of college students by anywhere from 20 to 48 percent.

What that means is a lower income college student going to college borrowing money will have his or her debt increased by anywhere from 20 percent minimum to 48 percent maximum. The maximum increase, of course, falls on the poorest students because they borrow the most money, and so they will

have the biggest debt to pay back. Just the opposite.

What kind of a grade do we give this assignment? It cannot be anything more than an F. It flunks at making college affordable for students and working families.

Our next assignment: Make sure all children will start school ready to learn. Mr. President, the No. 1 goal of the President's Conference on Education set up by President Bush, agreed upon by Republican and Democratic Governors in 1989, the No. 1 goal: All children will start school ready to learn.

What does this budget do? It freezes Head Start funding so that by the year 2002, 350,000 to 550,000 fewer children will be served. It freezes Head Start. Fewer children will be served. Another F.

Another assignment: Improve student achievements so that U.S. students will be best educated. Another one of our goals, by the way. What does the budget do? It freezes title I funding so that by 2002, 2 million fewer children will be served. Right now, Mr. President, the Federal Government provides about 6.6 percent of funding for local school districts. In 1980, that was 11 percent. It is now down to 6.6 percent, and that includes the school lunch program. So if you take out the school lunch program, it is even a lot less than that. Education right now is 2.2 percent of the Federal budget—2.2 percent. In 2002 under this budget proposal, it will fall; 1.4 percent of the Federal budget will go for education.

What does that mean? That means that if our local school districts and our States want to continue a high level of education and input, it can only mean one thing: Hang on, your property taxes are going to go through the roof. And so this budget fails in improving student achievement so that they will be the best educated.

The next assignment, making sure that all schools will be safe and drug free, another one of our goals, to make our schools safe and drug free.

This program funds things like the DARE Program that we are all so familiar with and I am sure we hear about in our States when we go back there and how successful the DARE Program is. This budget cuts over $1 billion from the Safe and Drug Free Schools Program. Ninety-four percent of school districts will lose funding from it, affecting over 39 million children. So on keeping our schools safe and drug free, this budget, another F.

Another assignment we have is to increase the Federal commitment for funding of special education and reduce the costs to local school districts.

Mr. President, this Congress in 1975 passed legislation for the education of all handicapped. It is called now IDEA, Individuals with Disabilities Education Act. The commitment of Congress in 1975, and in every Congress since then, has been to pick up 40 percent of the costs of special education for our school districts—40 percent. Do you know what it is now? Eight percent; 8 percent.

We are not talking about something that local schools can do or cannot do at their will. There is a constitutional obligation on our local school districts that if they provide a free and appropriate public education for nonhandicapped students, they have to do it for handicapped students. Constitutional requirement. We have said that we will come in and help local school districts meet that constitutional requirement by helping fund special education. Five-and-a-half million students with disabilities. Over the next 7 years, under this budget, school districts will lose over $5 billion in Federal funding for special education. And again, these school districts cannot say: OK, now we have lost the Federal funding, so all you disabled kids, out, we are not going to give you the kind of education that is comparable to other students. They cannot do that. The Constitution of the United States commands that they have to do that.

So what it means, again, is hang on to your hat in your local school districts, Mr. President. Property taxes will go up through the ceiling to pay for special education, because we, in this budget, are saying we are not going to fund it. So another F on that assignment.

Another assignment is to make the United States first in the world in math and science—another goal—by 2000. In an international assessment of eighth graders on math in 1992, the United States ranked 13th out of 15 countries. This budget cuts $700 million in teacher training for math and science teachers—400,000 fewer teachers will receive training and retraining.

So in trying to make our country first in math and science, another F.

Another goal is to improve technology to prepare students for the 21st century. We are saying we have to get better technology in the schools: Up-to-date computers, fiber optics and interaction, and get on the superhighway, get all this technology, Star schools, we are all for it. We have to do it if our kids are going to be competitive in the future. Over the next 7 years under this budget $175 million will be cut from Star schools and education technology. Another F.

Well, lastly, I think our overall assignment, is it not, is to ensure a better future for our children. Is this not really why we are here? Is this not why we take time on the Senate floor to debate and offer amendments? Is this not why our constituents put us here, to ensure a better future for our children? This is the largest education cut in the history of this Congress, the largest education cut in history. How, I ask, is that ensuring a better future for our kids?

So, Mr. President, in test after test, this Republican education budget fails our children. It fails them in the earliest times, getting them ready for school, and it fails them later on when they go to college. It fails our future. As a parent, I would be upset if my daughter brought home a report card with nothing but F's, and if she did, she would have to go back to school and do it all over again. That is what we are trying to do with our amendment. We are saying: Go back to school, those of you on the other side that want this budget. You have failed. So Senator HOLLINGS and I are saying, we will make it right and we will send you back to school. We will send you back with this amendment so we do not fail our kids. We want them to pass and we want to invest in education. The way to do it is to restore these cuts and restore some common sense back in the budget.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield time to the Senator from South Carolina?

Mr. HARKIN. Yes, I yield whatever time the Senator may wish to consume.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the distinguished Senator from Nebraska, Senator EXON, be added as a cosponsor.

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

Mr. HOLLINGS. Mr. President, One of the most distinguished forefathers, James Madison, said that ''a popular Government without popular information or the means of acquiring it is but a prologue to a farce or a tragedy, or perhaps both.'' He said that in a letter to John Adams, and Adams wrote back that ''The whole people must take upon themselves the education of the whole people and be willing to bear the expense of it.''

Coming up to Horace Mann's day, he referred to the Northwest ordinance where we laid the groundwork to develop Iowa—and it is a distinct pleasure to be associated with Senator HARKIN. Those States in the Midwest were set up in 6 mile by 6 mile blocks, and the middle block—number 16—was reserved for public education.

Horace Mann said:

> This law laid the foundation of the present system of free schools. The idea of an educational system that was at once both universal, free, and available to all the people, rich and poor alike, was revolutionary. This is the great thing about America. No other nation ever had such an institution. Three centuries later, it is a stranger to the bulk of the people of the world. The free public school system, which Puritans conceived, has been in large measure the secret of America's success. In these classrooms children of all races, nationalities and tongues learn the common language and became imbued with one central idea—the American conception that all men are created equal, that opportunities are open to all, that every minority, whether respected or despised, has the same guaranteed rights as the majority. Parents who landed here often brought with them the antagonisms, the rivalries and suspicions of other continents. But their children became one and united in the pursuit of a democratic ideal.

Mr. President, this idea was brought up-to-date, this observation of Horace

Mann, just Sunday before last, on May 14, at the graduation exercises at the College of Charleston in my hometown which, incidentally, was founded in 1767. It is the fourth-oldest liberal arts college in the United States and the oldest municipal college in the United States, now having become a State university. Our distinguished colleague from Kansas, the Senator from Kansas, Senator NANCY KASSEBAUM, was the graduation speaker. As Dr. Alexander, our greatest of great presidents there, spoke and introduced the program, he said this, and I think it should gain the attention of everyone:

> A few more than 900 soon-to-be graduates are seated behind me. If I ask each of them to stand who had attended college on a grant from the Federal Government, 405 of them would stand. If I then asked those to stand who had received a Government loan, an additional 198 would stand. If I then asked all those to stand who had received a scholarship which included at least some Government involvement, an additional 120 would stand. Eighty percent of today's graduates would then be standing. Of course, all the rest, as well as those who are standing, had a part of the expenses at the college paid for by the State of South Carolina.
>
> So while our graduates are thanking their families and friends, they might do well to also thank the Government. At the College of Charleston, we do not think of the Government as our enemy. It is not possible to love the College of Charleston and hate the Government. In the American democracy, the Government, in the phrase of Lincoln, is ''of the people, by the people and for the people.'' Speaking for myself, I do not think it is possible to love America and hate the Government.

So my plea this afternoon is if we can set aside partisanship momentarily and get some bipartisanship back on track for the general good, let us look at this amendment and realize that we have to move forward.

This particular amendment has what aim? Is it our aim to streamline the Government and cut out the fat? Or is it our aim to hack away indiscriminately, to tear down Government, to cut out not just the fat but also the muscle? Quite frankly, I look at the unprecedented education cuts in the budget resolution and this is what I see—not an efficiency inspired streamlining, but ideologically-driven amputation.

I am reminded of the Florida doctors down there who recently went into the operating room to amputate a foot, when the patient awoke, he discovered that the doctors had amputated his healthy foot.

That is exactly what is occurring here in this particular budget resolution. We are not talking here, Mr. President, about highway demonstration projects and more subsidies and the usual litany of Government waste. To the contrary. We are talking about Government at its best. Government at its most cost efficient.

We are talking about proven programs—Head Start, Title I, assistance for educating disabled people, and college loans for low-income people. These are programs that demonstrably work, and work for our neediest citizens.

By the most conservative estimate, Mr. President, every $1 spent on Head Start translates into $2 in later cost savings and educational benefits. One investigation, the famous Perry Preschool Study, determined that there are $3 in benefits for every $1 spent on Head Start.

We see an even greater return from Title I programs. For every poor child, thanks to Title I intervention, who does not have to repeat a grade, Mr. President, we save $7,000. For every child who, thanks to Title I, does not drop out of school, we save potentially tens of thousands of dollars in welfare costs.

Mr. President, the cuts proposed in the budget resolution give rise to a broader question: How in the world did we allow education to become a partisan issue? How in the world did we reach a point where virtually every Republican is reported ready to vote for radical cuts in the education budget, and virtually every Democrat is ready to vote against the cuts.

I will never forget the bipartisan move over the years with the distinguished Senator from Vermont, Bob Stafford. We had been Governors together and worked on education and the education amendments. Thanks to the success of Senator Stafford, we had equally wonderful bipartisan support and leadership.

We used to have two rules for nonpartisanship around this place: One rule was politics stop at the water's edge; the other rule was that politics stops at the schoolhouse door. I deeply regret in the rush to dismantle Government we are willy-nilly throwing away our consensus on education.

Mr. President, I come to the floor to plead for a restoration of that consensus, to plead with my colleagues on the other side of the aisle to join in support of the amendment. Republicans have spoken very passionately about the need for people to pull themselves up by their own bootstraps, to stand on their own feet, to get out of the wagon, and help pull the wagon.

The distinguished Speaker of the other body has made a compelling case for what he calls ''conservative opportunity society,'' a society which, he says, should guarantee equal opportunity but not equality of results. Fine. How can we credibly talk about equality of opportunity at a time that we are making radical cuts in education? How can we tell poor and disadvantaged persons that we believe in equal opportunity at the same time we are cutting the dickens out of Head Start, Title I, and other programs whose entire purpose is to make opportunity less unequal?

Indeed, Mr. President, if the cuts proposed in the budget resolution are allowed to stand without modification we will deal a devastating one-two punch to poor Americans.

First, we will shred the social safety net by enacting cuts in child nutrition, health care, job training and so on. Sixty percent of the $961 billion in budget cuts planned over the next 7 years will come from programs for poor and elderly. By hacking away at education, we cripple the ability of poor children to get a decent start toward literacy and other skills that they will need to stay off welfare and survive in the new economy.

I see a common thread, Mr. President, running through this budget resolution. The more needy a person is the more deeply they get cut. This is true not just of children but of States as well. Cutbacks in the budget resolution will hit hardest in the States that are most dependent on Federal aid.

These States tend to be small, they tend to be poor, and, yes, they tend to be Southern. Consider the following States and how much they depend on Federal assistance in their education budgets: Mississippi, 17 percent; New Mexico, 12.4 percent; Alaska, 11.5 percent; Alabama, 11.4 percent; South Dakota, 11.1 percent; North Dakota 11.1 percent; Louisiana, 10.8; Arkansas, 10.8; Kentucky, 10.1 percent; my own State of South Carolina, 9 percent.

The main program cut back by the resolution is Title I for the disadvantaged. We now serve, Mr. President, about 6 million children under the program, and projecting the same across-the-board cut to education, the Department of Education says that we will be serving only 4 million children when that particular cut has become law.

Taken together, the cuts in the budget resolution make a mockery of any notion of an opportunity society. This budget resolution tells poor people to pull them themselves up by the bootstraps, and then it takes away the boots.

It strikes me strongly that those who would make deep cuts in the social safety net have a special obligation, a special moral obligation, to at a minimum maintain the Federal Government's current level of investment in education. The bottom line, of course, is education equals opportunity.

The income and opportunity gap is already striking. Between 1973 and 1989, the annual earnings of black male high school dropouts in their twenties declined by fully 50 percent.

Consider this, Mr. President: Kids whose parents are on the top quartile of income have no trouble going to college. A whopping 76 percent of them earn Bachelor's degrees. But for kids whose parents are on the bottom quartile, a shockingly different story. Only 4 percent of these lower-income kids receive a Bachelor's degree.

Mr. President, we are limited on time here this afternoon and many of our distinguished colleagues are interested in addressing this particular problem.

Let me just say these are exactly the kids who are most at risk in underachieving, flunking a grade or dropping out. Take away Head Start and Title I and we are yanking the rug out from under the kids.

We have to get real. We cannot claim to favor an ''opportunity society'' at the same time we enact savage cuts in education. The opportunities of society should not be for those who are born on third base; rather, we also need an opportunity society for poor children who are born stuck in the batter's box with a two-strike count.

Yet by cutting deeply into Head Start, Title I, and the other education programs for the disadvantaged, we are heading in exactly the wrong direction. It is too late, now, Mr. President, to reconsider the priorities set forth in the budget resolution. To that end, therefore, I urge a strong bipartisan vote in favor of this amendment. If we are serious about opportunity for everyone, then we should be boosting our investment in education, not busting it.

Mr. HARKIN. I thank Senator HOLLINGS for his support and for his cosponsorship of this amendment and his long-time support for education in our country.

Mr. President, I ask unanimous consent to add the following as cosponsors: Senator JEFFORDS, Senator KENNEDY, Senator PELL, Senator DODD, Senator BINGAMAN, Senator SIMON, and Senator MURRAY as cosponsors.

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

Mr. HARKIN. Mr. President, I yield 8 minutes to the Senator from Washington.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Washington.

Mrs. MURRAY. Mr. President, of all the pain in this budget, nothing will hurt our Nation more than the draconian cuts to education.

Education allows Americans to pull themselves up by their own bootstraps. And I know this first hand. I am one of seven children from a family in a small town in Washington State.

My parents taught us the most important lessons in life. They taught us that everyone can make a difference. They showed us the bright promise of the American dream.

And, they taught us that education was the key to success.

That's why my parents—like many—are watching this debate closely. They understand what's at stake—because they know the difference education made in their children's lives.

Every one of my brothers and sisters, every one of us went to college. Every one of us has been able to follow our dreams—and one of us—my twin sister—is now a teacher herself.

When I stand here in this debate, I think of my sister, Peggy, in her classroom in Bellingham, WA. I know the challenges she faces as a sixth grade teacher.

Peggy tells me how class size will grow if these types of cuts are made. If we just shift costs from the Federal to local level in this way, the quality of education in her classroom will decrease.

I know she is watching this budget debate—like teachers all across this Nation—and she is expecting us to keep education funding a top priority.

Peggy instills the same hopes and dreams in today's children our parents and teachers instilled in us.

And, she knows that the priorities in this budget are misguided. Taxes on working families. Drastic cuts to Medicaid and Medicare. Slash-and-burn education cuts.

It frankly amazes me that we are seriously considering a budget which cuts education so severely.

The fundamental goal of any economic policy should be to raise the standard of living, and increase opportunity for all Americans.

You achieve this by strengthening education at all levels.

Last year, I worked with some of my colleagues from across the aisle in a bipartisan fashion to help expand educational opportunities for all Americans. Unfortunately, it seems—in this budget—that spirit has now collapsed.

This year, we are taking giant steps backward. In this budget, education is targeted for some of the largest cuts.

I have stated many times that I am all for deficit reduction. However, it is irrational to cut investments in our children and in our workers—and then turn around and say these cuts are good for our future. How is cutting education good for our future?

The American people have the right to know what's in this budget. Let's look at the specifics:

Head Start, one of the most effective early nutrition and education programs, in cut by $3 billion. This draconian cut will deny as many as 100,000 low-income children the benefit of a pre-school education. That makes no sense.

K through 12 education programs also take a big hit. This budget would eliminate Goals 2000, which supports the efforts of schools and communities to raise academic standards in their areas. That makes so sense.

Training programs are cut. The School-to-Work Program ensures that all young people attain the skills they need to enter the workforce. Some of our colleagues want to eliminate this program. That makes no sense.

Finally, I am truly concerned about the absence of student financial aid funds in this budget. Nationally, the costs for higher education have increased at twice the rate of family income over the past decade. Without financial aid, college has simply become unavailable to the middle class.

I would have never even thought of college if it were not for financial aid. Neither would any of my six brothers and sisters. This budget says to young Americans ''you have to be rich to go to college.'' Again, that makes no sense. Again, this is the wrong message to our young people who far too often feel today there is no hope and no future for them.

We can not expect to retain our position as a leader in innovation, research, and production—unless we continue to invest in education.

At a time when Americans are fearful of losing their jobs; when Americans need training; when our high school seniors lack the funds for college; at this time, it makes no sense to turn our backs on them.

Every day, I hear my distinguished colleagues—who were captains of industry—talk about what private industry and big business need in this budget.

I do listen to leaders in industry. They tell me how important education is to American competitiveness. High tech companies and manufacturing firms need well-trained, high skilled work force. So, I do listen to them. And, I also listen to Americans who do not have rich, powerful lobbyists behind them.

Let us listen to America's displaced workers who need to be retrained. Let us listen to America's teachers. Let us listen to America's schoolchildren. Let us remember the common sense our parents taught us. Let us remember how each and every one of us got to this Senate.

I urge my colleagues to vote for this amendment and restore these education cuts, restore some hope to our children's faces, and restore some common sense to this budget process.

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

Mr. KENNEDY. Mr. President, I thank my colleagues, Senator HARKIN, Senator HOLLINGS, Senator MURRAY, and others who have made such a strong presentation on an issue which is of such fundamental importance to all Americans as the priority of education for the young people of this country.

What this amendment to the budget proposal is doing is restoring in a dramatic way support for higher education.

If there has been one extraordinary success story in the postwar period in the United States, it has been higher education. Of the 140 great world universities, 127 of them are in the United States of America. That is not an accident. Our higher education is the envy of the world. We are doing it right.

How has that come about? One reason is because you have participation of individuals that is not simply based on their ability to pay; another is government support for research, and finally, we have a system that attracts the best academic minds in the world. Overall, higher education has been an extraordinary success.

Mr. President, we have many problems in this country. We have many problems around the world. One problem that is growing increasingly serious is that access for the sons and daughters of working families to higher education is becoming more difficult. The escalation of costs has become a serious problem.

The universities, the teaching hospitals, the schools of this country are the envy of the world, and we have to

ask ourselves in this budget resolution, as we are looking to the future: Why are we putting them at risk? And we are putting them at risk by the reduction of $30 billion in education funding over the next 7 years. That is the very basic and fundamental question. In a minute, I will come to the same question in terms of what we are doing in primary and elementary education, as well.

I would like to review for all of our colleagues the figures about what people earn when they achieve higher education—this chart can be viewed by our colleagues. The chart is self-evident, but fortunately, or unfortunately, we have to remind our colleagues and remind the American people.

The chart shows average annual earnings by level of education. If you do not finish high school, the average income is $12,000. If you complete high school, the average over the lifetime is $18,000. If you have some college but do not complete 2 years, it goes up to $19,000. It is $24,000 if you get an associate's degree from a 2-year college, and up to $32,000 if you graduate from a 4-year college. It goes on. For a master's, $40,000; a doctorate, $54,000; for a professional degree, $74,000 individually.

Our older brothers and sisters and parents understand it because they had the GI bill. Generally, borrowers under the GI bill repaid $8 for every $1 that was expended. Student loans work. Higher education works in the United States of America.

What did we do in the last Congress? In the last Congress, because of the concern about increased cost of education and the costs of loans to the Government—we moved toward a direct loan program to try to recapture some of the funding that was going to banks in the guaranteed loan program. We moved to phase in a direct loan program. We moved in a moderate way. There were some who believed we ought to go to a full direct loan program immediately. There were some who said, ''Senator KENNEDY, Senator SIMON, and Senator Durenberger, since we have the best in terms of higher education, why do you risk the system by going to a direct loan program when we do not really know?''

We said, ''Fine.'' We worked out a compromise, Republicans and Democrats alike, to move into a direct loan program in a moderate way. The direct loan program is now being managed by the Department of Education effectively. We have a direct loan program going on with competition with the guaranteed loan program, and we have reduced the losses that were coming from failure to repay student loans from $2.7 billion down to less than $1.2 billion—a dramatic reduction.

It is so interesting to hear Mr. Bennett talking about the Department of Education and we ought to abolish it. I wish he had been as good a manager as Dick Riley in recapturing the billions of dollars that were lost during his tenure. If he knows so much about the Department, where did not he recapture the funds?

So we have a situation now where we are doing well in implementing a direct loan program. We are also lowering the basic fees, reducing those the initial fee students have to pay.

We have also adopted national service as an additional way to get young people to go to college because we know that our Nation's future depends upon education.

Now we have before us the dramatic changes proposed the Republican budget to the Pell grants. This chart shows what is going to happen to these grants even though the chairman of the Budget Committee is telling us he is going to hold them harmless. You can hear all the statements that you want, but if you want to know what is going to happen to costs for students as we follow through the years of this budget, look at this chart. The bottom line shows what the value of the Pell grant will be in the year 2002—$1,501. The other line shows the average cost of going to State universities across the country—$8,026. Right now, the Pell grant is worth $2,590 and the average cost at a State university is $5,314. That shows you pretty clearly what is going to happen to students.

It is interesting that in 1965, when the Aid to Education Program was passed, we had three-quarter grants, one-quarter loans. Why? Because we set the economic challenge to the young person by figuring out what that young person could bring to their education, what they could earn over the course of the summer and during the year. But we did not want to encumber that individual and that family far into the distant future. If they were eligible on the basis of need, we intended that they were going to be able to get a grant and only a quarter was going to be a loan. Twelve years later, three-quarters are loans and one-quarter grants. What do our friends on the other side say? They are going to make the loans even more expensive.

So they are going to indenture the young people of this Nation. We hear all these speeches by our Republican brothers and sisters saying we are doing the young people a favor because we are going to keep the next generation out of debt. Instead, they are putting them in debt, putting them in debt by what they will have to pay for college to say nothing of what they will have to pay for graduate school.

I see our distinguished friend and a distinguished doctor presiding now. He can certainly tell us about what happened with his own classmates at medical school and the indebtedness of those individuals.

Whatever help and assistance we are providing in terms of the young people is going to be heavily undermined with this particular proposal. There is no other way about it. You can say, ''Well, we are going to hold them harmless. We are going to provide the services.'' If you one program harmless, then you are going to find the further emasculation of some other program such as the chapter I program, the title I program, about $6.8 billion that goes to the neediest children, or you are going to emasculate others like the Head Start programs that depend upon the same pot of funding. It makes no sense. It makes no sense for the young people that are going to go through this system. It makes no sense for the universities and, most importantly, it makes no sense for the country. We have something that is working, and we are putting it at serious risk at the present time.

Mr. President, this amendment moves us dramatically back into a sane and rational position by restoring some $40 billion to education.

Mr. President, if we look where we are in primary, elementary, and secondary education, the fact of the matter is all of us who have supported the various programs understand that education is a local responsibility. I hear so much about what we need to do is get parents back in the school system and I agree that we do have to do that. I hear what we have to do is let teachers make changes in the curriculum and that is also true.

As the Senator from Iowa and the Senator from South Carolina know, and others know, only about 7 cents out of every dollar is provided by the Federal Government. But they are important dollars. Just look at the special needs children that were never being taken care of prior to the program that was developed in a bipartisan way under Senator Weicker, Senator HARKIN, and many of the members, Republican and Democrat, on the Human Resources Committee and on the Appropriations Committees. Education is not just a Democratic effort. I daresay that Senator Weicker had as much to do with increasing the commitment of this Nation to special needs children as any Member here. This has been a Republican as well as a Democratic effort.

We have often listened to our colleagues talk about how migrant children and illegal children have settled in various States and schools, and how they need some help and assistance. But if you take out the nutrition programs, and the special needs programs, if you take out Star schools, take out technology, take out the TRIO program, what do we have left? These are programs that have been tested, evaluated, challenged, and worked. Those are the programs they are emasculating.

What happened last year? We had a bipartisan commission that was set up to review what had happened in Head Start. In the 1980's and into the early 1990's, there was some increase in funding, to the credit of President Bush. But the problem was there was not quality control. You had continued turnover in programs without insisting on quality provisions for the teachers that were involved.

So there was a real question about the quality of the Head Start Program. We had a very good bipartisan panel, and their recommendations were reported out with only one dissenting vote on the Human Resources Committee, Republicans and Democrats alike.

I am not going to quote many of our colleagues on that side talking about the changes in the Head Start Program, how we were at last getting this on track, how important that was because I do not have the time, but we made important changes. Then we went ahead and took a look at the chapter I program because of the various challenges that were suggested by many for that program. We reviewed and had hearings as did the House as well. Those changes were supported overwhelmingly by the Republicans and Democrats. We dealt with the changes that were taking place with different kinds of poverty impacting local communities and the growth of poverty in some of the rural areas. We went through that. We did not do all the things that everybody would have wanted, but we worked together and made great progress, Republicans and Democrats alike. Even in the Goals 2000 Program, Republicans and Democrats alike came together to pass legislation that provides new help and assistance to schools. Of that funding, 85 percent goes to local schools.

Goals 2000 was developed by Dick Riley from South Carolina, one of the most effective Governors in education, and also Governor Bill Clinton. Riley had great credibility because he had changed the academic achievement and outcomes of the black and brown and white students of his State of South Carolina in an extraordinary way, involving parents, involving local communities, involving the businesses. In Goals 2000 he brought that experience to the legislation.

We also had bipartisan support for the School-to-Work Program. I was with a former Governor of Maine, a Republican, last week at the dedication of the 1-year anniversary of the signing of the School-to-Work Program. This Republican Governor said that this is one of the most important programs of education that he has seen in the State of Maine.

At a hearing in our Human Resources Committee Tommy Thompson, Republican Governor of the State of Wisconsin, down, also said that this is one of the most important initiatives in his state. School to Work would be emasculated in this budget.

I mean, what is the sense? We have hearings, we develop the coalition, we develop the bipartisanship, we have men and women that are out on the front line, Republicans and Democrats, and we have educators and parents saying how the good the programs are. And we are effectively emasculating them, saying we are going to have to cut someplace, and we are going to go ahead and cut it.

So, Mr. President, I do not believe the wholesale cuts that have been effected in this budget are justified or warranted. I find to the contrary.

I think one of the things that I remember so clearly—is my time running out? Mr. President, how much time do I have?

Mr. President, if I can have 2 more minutes.

Let me just give you a few instances about the importance of support for students. This stack here on my desk represents the mail that I have received on the Internet system from students all over the country. I hope that our Members check their mail because when they do they will finding out what these proposed cuts mean.

I think there has been a great deal of trivializing the importance of the extra debt burden to students. You know, people are saying, ''It is really only the cost of a big gulp a day. Really, it is only the cost of a one-way plane ticket down to Ft. Lauderdale.'' People are trying to trivialize this. I can tell you the increases are not trivial to students and working people.

I think this whole process demeans the young people of this country. It demeans their parents who have worked hard, worked and scraped and saved over the course of a lifetime to help send their children to college.

A student attending medical school in Massachusetts writes:

> I am a 24-year-old African-American woman, born and raised in St. Louis, MO. I come from a poor, working- class, two-parent household. I am proud to say I was the first African-American valedictorian in my high school. I went on to college at a private institution. I received much-needed financial aid while there, including loans and scholarships. My parents helped as much as they could, but with two other children, they could only help a little.
>
> Without the Stafford and Perkins loans that I received, I would not have been able to continue my education. After graduating from college I was accepted to an Ivy League medical school where I am still very much dependent on Federal financial aid. I hope to practice primary care (pediatrics) in an indigent community.
>
> I am close to finishing school and may not be affected by such harsh cutbacks, but I am very concerned for the future generation of students.

Mr. President, this student and thousands of other students just like her are exactly what we need, primary care physicians in indigent communities.

Under the Republican budget a student following this course of study could well face over $40,000 in additional interest payments at the end of her medical training.

A student from New York writes:

> ''My mother just got laid off today. I only have one year left before I receive my bachelor's degree. I don't want my opportunity and those of others to be cut short. Everyone in the White House, on Capitol Hill, and in the state governments had their opportunity. Why are you taking away ours?

A college graduate from Colorado writes:

> ''I am not a student, but I'm raising my voice in support of government backing for student loans. If it were not for student loans, I would not have been able to attend college. My mother was supporting two kids and we lived in government subsidized housing—the projects. There was simply no way she could have paid for a college education for us, so we applied for loans and more loans. I received some grants and a great deal of loan assistance, and still I worked at McDonald's. I am now a consulting writer and I never have to look for work . . . it looks for me. This is a most wonderful life and I wouldn't have had any chance at all of attaining it without those student loans and grants. Please do whatever it takes to ensure that others get this chance . . . it is what allowed me to become who I am today, and I thank you all.

Another student, from Maine, summed up the situation: ''If you think education is expensive—try ignorance''

I ask each of you to think seriously before you consider voting for a budget that contains $30 billion in cuts to student aid. You will see very clearly that this budget is turning its back on the nation's students.

The Republican budget turns its back on education, and it does so in order to pay for a tax cut for the wealthiest individuals in the country. That makes no sense. It is the wrong priority for education, and the wrong priority for the nation.

The pending Democratic amendment restores $40 billion to this anti-education budget—$40 billion that will help to correct these misplaced priorities. I urge the Senate to support the Democratic amendment.

I thank the Senator from Iowa for yielding time.

Mr. HARKIN. Mr. President, I thank the Senator from Massachusetts for a very eloquent and learned statement. I again wish to thank him for his great leadership over so many years in the area of education. I think what the Senator from Massachusetts just said really pulls it all together in terms of what this budget is about and what it is doing to kids in this country, and the history of what we have tried to do over the last couple of generations of young people to ensure that our kids do get that affordable, quality education in this country. Senator KENNEDY has captured it in his statement.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 21 minutes.

Mr. HARKIN. Mr. President, I yield 8 minutes to the Senator from Rhode Island. I apologize. If he does need some more, I will try to get some more time for the author of the Pell Grant Program.

Mr. PELL. Eight minutes is fine.

Mr. HARKIN. Senator PELL has been so important in making sure that the poorest kids in this country get a decent education. I am proud to yield to the Senator from Rhode Island.

Mr. PELL. I thank the Senator from Iowa. I second his remarks about the Senator from Massachusetts. He has shown remarkable leadership.

The budget resolution before us would have a very detrimental impact on Federal education spending. Instead of adjustments, fine tuning and reasonable savings, this resolution would produce drastic and unwarranted reductions of the small but critical role

our Federal Government plays in education—5 percent for general education and 11 percent for higher education is the share of the Federal Government.

According to the Budget Committee figures, this resolution assumes a reduction of $59.4 billion in outlays for function 500 over the next 7 years when compared with current law. When compared with the President's budget, though, the estimate is that the reduction would total $65 billion over the same 7-year period. According to the Labor Committee's own estimates, education makes up about 58 percent of function 500, and this means therefore that the reduction in education spending could total as much as $38 billion over the next 7 years.

The reduction in education would come in two areas, mandatory spending and discretionary spending. The Hollings-Harkin amendment before us would add back $40 billion in both mandatory and discretionary spending. It would have the effect, therefore, of ensuring that we would not experience drastic cutbacks in Federal education spending.

Failure to approve this amendment would surely put education in harm's way. While the budget resolution assumes protection of certain programs, those are only assumptions. They do not have the full force of law. The final decision for discretionary cuts will be left to the Appropriations Committee, while the final decision for mandatory cuts will fall to we, the authorizing committee.

My fear is that the size of the cuts in the budget resolution are so immense that no program will be protected and all will be at risk. If the cuts are applied across the board, the Congressional Budget Office estimates that one-third of the Federal investment in education will be eliminated by the year 2002.

In mandatory spending, the budget resolution before us assumes savings of $13.8 billion in outlays over the next 7 years. Seven assumptions are made in order to achieve those savings, but only five of those are within the jurisdiction of our Labor Committee. According to OMB, the total of the remaining five options is less than $5 billion. That includes about $3.3 billion in savings if we eliminate the in-school interest subsidy for graduate students, an option which I for one would vigorously oppose.

The Labor Committee is also left with the responsibility to come up with almost $9 billion in additional savings. This is such a massive requirement that the only option available would be the elimination of the in-school interest subsidy for undergraduate students who come primarily from middle-income families.

To my mind, this is not the road we should travel. Elimination of the in-school interest subsidy for all students would, according to the Department of Education, increase student indebtedness by 20 to 50 percent. In a period when more Americans are borrowing more money to help finance a college education, this would be the wrong step and the wrong direction to take. In a very real sense, we would be increasing private debt to decrease public debt, an option that is not at all satisfactory.

With respect to discretionary program spending, the effect would be equally alarming. Freezing the Pell Grant Program at the current law level would diminish the value of that program by as much as 40 percent over the next 7 years. According to OMB, half of that is because of the increase in eligible students and the other half because of the expected increase in inflation in the next 7 years.

Freezing the title I program in elementary and secondary education for the 7 years comes when we anticipate at least a 9-percent increase in student population. The result: According to OMB, we will serve 2 million fewer students by the year 2002. That is 2 million fewer students by the year 2002.

According to OMB, failure to protect the Safe and Drug Free Schools Program would save $1 billion over the next 7 years. It would also mean that 94 percent, almost all of our Nation's school districts would lose funding that now goes to help 39 million students.

Failure to protect vocational education and training would place the very existence of this program at risk. OMB estimates that a possible cut of $5.3 billion over the next 7 years means that some 12 million fewer students would be served. This would come at a time when business and industry leaders are telling us they need a better and more well-educated work force if we are to remain leaders in the world marketplace.

Passage of this resolution without adoption of the Harkin-Hollings amendment before us would alter almost 30 years of a strong bipartisan partnership on behalf of education. It would seriously threaten bipartisan accomplishments that have brought the dream of a college education within the reach of every American who has the drive and the desire and the yearning that has begun to bring poor children into the education mainstream and that have brought real meaning to the concept of equal educational opportunity.

Mr. President, this is not the time to retreat in education; it is the time to advance. As President Clinton has noted, as a nation we face both a budget deficit and an education deficit. To my mind, we should not increase the latter to decrease the former. A strong and sound economy depends on a well-educated, well-prepared work force. To pull back in education is the wrong step, in the wrong direction, at the wrong time, and I hope we would not do so.

Accordingly, with all the strength we have, let us support the amendment before us.

I yield the floor.

Mr. HARKIN. Mr. President, I take this opportunity, in this small amount of time, to thank the distinguished Senator from Rhode Island for his many years of leadership and service to the young people in our country. There is a reason why they are called Pell grants. Go to any college, any student in this country—well, you go to anybody who is out in the professional world, who has graduated from college in the last 20 years. They all know one thing. They know what a Pell grant is. So many of our young people who came from lower-income families, who otherwise would not have had the ability to get through college, got those Pell grants. They are educated; they are making money; they are paying taxes; and we are all better off for it. We are a better country because of that.

I wish to say to the Senator from Rhode Island, thank you so much on behalf of millions of students, present-day students and millions of Americans who are out there now earning a decent living, raising their families, passing on a better life to the next generation, living the American dream because of the efforts of the Senator from Rhode Island.

Mr. PELL. I thank the Senator.

Mr. HARKIN. Mr. President, I yield 5 minutes to the Senator from Vermont, and I will try to yield more if I can.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Thank you, Mr. President.

I rise in favor of the amendment.

I also want to echo the accolades for my patriot on the Education Committee, Senator PELL, who has done so much over the years. I stand here as the new subcommittee chairman of the Committee on Education, because I feel, as he does and others have, that we must be sure of what we do now. This is serious business.

Everybody recognizes that finally we have to balance the budget. But if we do not do it carefully, what we do will be counterproductive and will result in increased costs and decreased revenues.

It is so simple and easy for us to all hold hands, close our eyes, and cut across the board. But that will not do it. This will not do it if you get into the area of education.

Education has always been bipartisan and it should remain so today. So let us strike any partisanship out of here and take an examination of what will happen if we do not do this carefully. Let us talk about the counterproductive aspects of cutting education.

First of all, the business community came to me a year ago and cried to me, ''You have to do something about increasing our productivity, of helping us improve the education of this Nation, because we are not any longer as competitive as we used to be.'' And unless we improve things, we will be less competitive in the next century and this Nation will slip into a Third World capacity. Why?

Let us take a look at this chart. A chart is worth a thousand words.

The first chart is high school graduates unable to perform basic tasks. Just take our standards, forget about the international standards. Over half of our kids graduate unable to do simple functions that would mean that you are at least basically literate. I will show you later what that has an impact on.

Let me take the next chart. Let us take a narrow look at the international scene, where we stand in the world with respect to our education system. And I will end up with it in another area. We are now in the area of math, and the same is true in science, dead last when we compete with those other countries that are giving us competition in the international fields. That is shameful.

Are we going to do something about it? We cannot, if we cut education.

Let us take a look at what this failure of education has to do with our budget situation right now. We have a loss, through education failure, of $½ trillion in our GDP. That is because we are slipping behind with respect to productivity. We have problems. Eighty percent of those incarcerated in jails, costing $20,000 to $60,000 a year to incarcerate, are school dropouts; 60 percent of the teenage pregnancies are school dropouts.

In addition, the literacy level reduces our productivity level, losing more, and we have $208 billion a year through lost productivity through welfare. And it costs us another $200 billion for remedial training to bring our students up to the capacity where they can be productive in our industrial society.

In addition to that, because they earn less money being nonproductive citizens, it costs us $125 billion in lost revenue.

So let us take a look at the next chart and see what this has done to the median family income in this country and why we are losing that revenue.

Two-thirds of our society over the last 20 years—over the last 20 years—have had a decrease in their family income. And that is true even though we now have more two-worker families than ever before.

Education is related to what you earn. You will see the only ones now that are increasing their income in this decade are those that have had post-graduate education in college.

Now let us take a look at what is happening with respect to another area. One area in here, which is part of this proposal as well, but one that seems to be the easiest thing to do—our graduate students. Why do we not just increase their debt load a little bit? Why allow them to get subsidies for interest while they are in graduate school? Seems like an innocuous thing to do.

Well, this Nation has the best graduate schools in the world. Everybody wants to come here. However, over the last several years, a decade, the debt load of our college students has gotten so high now, it is estimated it will be up around $22,000 when they get out.

Well, they cannot go on to graduate school. We have fewer and fewer and fewer people that are going to graduate school.

Now what has that done to us? Let us take a look at what it has done to us in a competitive area.

Mr. President, I ask Senator for an additional 30 seconds.

Mr. HARKIN. Mr. President, how much do I have remaining?

The PRESIDING OFFICER. Six minutes 5 seconds.

Mr. HARKIN. I hate to tell the Senator from Vermont, I only have 6 minutes 5 seconds. I have two people that I promised more time to.

Mr. JEFFORDS. My punch line is all I wanted to get out.

Mr. HARKIN. The Senator gets at least 2 minutes for his punch line.

Mr. JEFFORDS. Well, it will not take that long.

What this chart shows here is, before, you know, we used to have all the foreign students come here. They used to get educated and they stayed. You saw them at IBM and all over the country allowing us to be more productive. Now what is happening, because of the debt load, fewer and fewer of our kids are going to graduate school and more foreign students are going to graduate school. The blue indicates the ones that are going home and the red indicates the ones that are staying here. More and more are going home. So what we are doing now is we are seeing almost all of the graduate students are being foreign students, a majority are, and they are all going home. Ours are staying here, but we do not have enough to fill the slots.

So that one little thing in this budget proposal would probably do more damage to our competitiveness than about anything else.

I yield the floor.

Mr. HARKIN. I thank the Senator from Vermont for his contribution now and in the past.

I yield 3 minutes to the Senator from Illinois.

Mr. SIMON. Mr. President, I will try to make it fast.

Of course, we need a balanced budget. But, of course, we have to have the right priorities.

Every study that has been made by any group—conservative, liberal, you name it—says we have to invest more in education. I have never seen a study that suggests to the contrary. And yet what we are asked to do is to cut back—cut back on Head Start, cut back on title I that helps poor kids that is really showing results, cut back in higher education.

Senator JEFFORDS is absolutely correct. In the narrative on the budget, you will see we are going to get that $14.7 billion in savings by cutting out assistance to graduate students. That is bad enough.

But you put the numbers together and you only get $2 billion of that. Where do we get the other $12.7 billion? Well, we get it out of the hides of students. And it means a lot of students are not going to go on to higher education. That is not the way we ought to go.

In fiscal year 1949, I say to Senator HARKIN, we devoted 9 percent of the Federal budget to education. We are now devoting less than 2 percent. And if this budget is adopted as is, it will go down even further——

Mr. HARKIN. To 1.4 percent.

Mr. SIMON. Down to 1.4 percent, Senator HARKIN says. It just does not make sense.

I visited a Head Start group in Rock Island, IL, an impoverished part of that city. Like every Head Start group, they have a waiting list. Monday morning, one set of kids comes in, Tuesday morning a different one, Wednesday morning a different one, and so forth.

I asked the woman in charge what would it mean in the lives of these young people if they could come here 5 days a week. She smiled and she said, ''You could not believe the difference it would make in their lives.''

We are denying them that chance. Oh, we are saving money, like you save money when you put up a house and you do not put a roof on it. You do not save money in the long run. We have to face up to the reality that we are going to have to change in this field of education. We are going to have to fund it more adequately.

I think of the testimony before our committee by the Secretary of Labor talking about a manufacturing company from Connecticut, I believe it was, making a decision, do they build in Mexico, the United States, or Germany? Mexico offered cheap labor, poor education; the United States better education, higher wages; and they reluctantly made the decision to build their plant in Germany where they have to pay $6.50 more per hour but where people are well prepared.

We are cutting back on our future if we do not adopt this amendment. I hope we do.

I yield the floor.

Mr. HARKIN. How much time do I have remaining?

The PRESIDING OFFICER. Two minutes 20 seconds.

Mr. HARKIN. Mr. President, I must say that I find the fact that we only have 3 hours to debate education unconscionable. We should have more time. I was under the impression we were going to have 6 hours. I found out when I walked on the floor we have 3, by unanimous consent. I do not know how that happened. We need more time. This is the most important part of the budget to future generations.

I yield whatever time I have to the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I think it is unconscionable that we not have more time.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. I thank Mary McEvoy, who is a fellow with me who

helped write, I think, an important speech. I ask unanimous consent that she be allowed the privilege of the floor during the rest of this debate.

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

Mr. WELLSTONE. Mr. President, what we have before us today is a budget that says loud and clear to the American people that education is no longer a priority. The proposed $40 billion cut in education spending represents the largest education cuts in American history. In fact, it is estimated that by the year 2002, the Federal Government's commitment to young Americans will be cut by over 33 percent. And these cuts span all age groups. For example, by the year 2002:

Over 400,000 young children will be denied a Head Start through preschool education;

Education for over 5.5 million children and youth with disabilities will be eliminated;

School-to-work programs, partnerships between businesses, communities, and schools stand to lose over $5.3 billion.

And less than one-half of the children who need it will receive assistance to improve their reading and math skills. Are these America's new Goals 2002?

The cuts I have listed above are devastating. But there is also another program that the proposed Education budget reductions will negatively impact. I want to talk to you about cuts in student aid.

Remember, all of those who signed the Contract With America have signed a document that says they intend to support cuts in student aid. The proposed Senate budget is serving as another vehicle to accomplish this devastating promise.

Under the proposed budget, $30 billion would be cut in Federal aid to college students over the next 7 years, affecting over 4 million students. For example, last year in Minnesota, over 14,000 students received assistance from the Federal Stafford Loan Program alone. And these students are not from wealthy families who could afford to bear the entire brunt of the cost of their child's post-secondary education. In fact, the average income for the families of these students was less than $37,000 per year.

A college education is an essential part of the American dream. It gives people an opportunity to be all that they can be. And, I know from what my father always believed for me and I believe for my children—that their lives will be better than the last generation because they went on to pursue a higher education. In fact, over 92 percent of all Americans believe that investing in a Federal support of a college education is an investment in our country's future.

We also must remember that college education also significantly benefits to our Nation as a whole. Our communities are stronger, our economy is stronger and our democracy is stronger.

But the dream of an education is more and more difficult to achieve. Most students now are not going straight to college from high school. It is not affordable. Some have to save some money before they can afford to go. Some have small children to take care of. The student body these days includes a lot more non-traditional students—those who are returning to school, those who only go part time because of jobs or family or both, and those who take more than 4 years to get their degree.

The costs of going to school keep going up. Students are forced to put off school until they have saved enough money, seek student grants or go into a lot of debt. It used to be that State and Federal governments provided more grants than loans. Students were not asked to mortgage their future. But over the last 10 years the balance between grants and loans have been inverted—the number of loans far outweighs the number of grants. Loans are now the largest source of Federal student aid.

The Federal Government has had a commitment to high education for almost 50 years. Yet even at its current level of resources, the Federal Government's contribution is insufficient. We should not be cutting financial aid programs—we should be increasing and improving those programs. Higher education is one of the best investments we can make as a country and it is one of the best investments individuals can make in their own future. An education increases earning potential, decreases unemployment, and improves the standard of living.

As a Nation, we cannot afford to cut educational financial aid to America's families. We should not be taking away one of the few opportunities families have for their children and grandchildren to make a better life for themselves.

The Senate should go on record in saying that in our effort to balance the budget we should not be reducing opportunities for students to improve their lives.

IT IS EXTREMELY DIFFICULT TO GO TO COLLEGE THESE DAYS

The total costs of attending a 4-year public institution averages to about $7,600. The average cost to go to a 4-year private institution is around $16,000. Tuition alone has increased more than 120 percent over the last 10 years. At this cost higher education is out of reach for many middle income families. Without student aid many would be unable to pursue higher education. Students must seek out scholarship and other grants and awards. Many borrow, but even that is not possible without help from the Federal Government. For the 1993–94 academic year, students borrowed a record amount—$23 billion from Federal guaranteed loan programs. The average loan exceeds $2,700 annually. And, borrowing of course sends recent graduates into the working world with a pile of debt along with their nice new diploma. Debt that is sometimes with them for half of their lives.

Krista Hannem is a sophomore who will be graduating from community college and going on to Mankato State University to get a B.A. She is 24 years old, and married. She writes:

> I do not receive State or Federal grants, nor do I have any scholarships. In order to pay for my 2 years at [a community college], I have had to take out over $5,000 in student loans * * *. Last year I was receiving help through the State work-study program. When that was cut I suffered again. I realize that part of education is receiving some debt, and that it should not be a free ride, but neither should it be a weight tied around my neck. So I ask that whatever decision you make, you consider the many students like myself who are choking with this weight.

MOST STUDENTS ARE NON TRADITIONAL

The typical student these days is not the Brady Bunch kid who graduates high school and goes straight on to college. Forty-five percent of the student body these days is over 25 years old. In fact, nearly 20 percent of all students are older than 35. Many are single parents. Forty-three percent attend on a part time basis, thus probably not finishing a B.A. in 4 years. Even traditional students, students who enroll full time at 4-year institutions immediately after high school are remaining for 4 consecutive years, obtain a bachelor's degree within 5.5 years. Sixty-two percent of students of all ages work, including nearly half of traditional students. And, about one student in five is a member of a minority group: African American, Asian American, Latino, or Native American.

Denise Peters from Edina writes:

> I am a 29 single parent currently enrolled as a Jr. at the U. of M. Because of the excellent support of financial aid and other programs I have been successfully maintaining a 3.76 GPA. Before returning to school—from the time my son was 6 weeks old I worked as a medical assistant making $9.00 an hour * * *. Without the needed assistance the rug would be pulled out from under me * * *.

Sandra Mitchell from St. Louis Park writes:

> I am devastated at the idea of any financial aid cuts. Not only would I need to drop out of college—I am a sophomore—but it would leave me with only two options. First, I could obtain an entry level position. Second, I could remain a public assistance recipient for a while. At any rate the best I could do for my self and my son and society is to maintain at below poverty level. I faced these options after a miserable divorce which left me without a home, money, or even credit to plan for the future. I have goals, not only for myself, but to be allowed to contribute and replace what I have used. By the time I graduate in 1997, I will be financially independent. Likewise I am setting an example for my son to achieve independence and pride which are invaluable to our whole society.

Troy Goodwater is a sophomore at Austin Community College. He is a 20-year single male. He lives at home. He has a part-time job and attends college full time. He writes:

> My father is retired and receives only a four hundred dollar check each month from

social security and my mother works two jobs in an effort to make ends meet. They are unable to assist me in anyway in helping paying my tuition. I receive federal and state grants to help me pay my tuition, without these grants I would not be able to further my education. These grants pay for all my schooling, because of my low finances. The Federal and State grants are very helpful to myself and many others college students and if these grants are cut the people who want an education and can not afford one will suffer the most in the long run.

OUR FEDERAL COMMITMENT TO HIGHER EDUCATION SHOULD BE STRENGTHENED NOT CUT

For almost 50 years the Federal Government has made a commitment to helping students go on to higher learning. Just during the academic year of 1993–1994 the Federal Government spent $31.4 billion to ensure that lack of resources does not prevent people from pursuing their dreams of a college education. In Minnesota alone, students received more than $420 million in Federal dollars.

The Federal Government provides 75 percent of all student aid including federal grant, loan, and work-study programs.

In 1990, about 5 million students received Federal student aid under one or more Federal programs. In the 1993–94 academic year about 3.8 million students received Pell grants; 4.5 million received Stafford loans; 991,000 received supplemental education opportunity grants; 697,000 received Perkins loans; 713,000 received Federal Work Study awards; and 650,000 received State student incentive grants.

Most Federal student aid is based on need, with the amount of assistance determined by formulas that factor in family, individual earnings, savings, and the cost of education. Pell grants are targeted to the neediest students. The campus-based programs—supplemental educational opportunity grants, Federal work study, and Perkins loans—gives school financial aid officers the flexibility to respond to unique student needs.

These programs help both low- and middle-income families. Of the Pell grants awarded to dependent students—those who are financially dependent on their parents—41 percent goes to students from families with incomes less than $12,000 and 91 percent goes to students from families with incomes below $30,000. Among Pell recipients who are financially independent, 73 percent have an income below $12,000.

Stafford and direct loans primarily benefit middle income families. Most subsidized student loans—72 percent are awarded to students who are still financially dependent on their families. The average family income of a dependent student who receives a Stafford loan—a loan on which interest is not charged while students are in school—is approximately $35,000. Seventy-five percent of such students have family income between $12,000 and $60,000. Among independent students who receive loans, average family income is $14,400. More than 69 percent have incomes above $6,000.

More than half of the students who receive Perkins loans have family income below $30,000. More than half of the students who receive funds under the work-study program have family income below $30,000. And more than 75 percent of students who receive funds under the Federal supplemental education opportunity grant program have family income below $30,000.

In recent years the Federal Government commitment has been diminishing. It used to be that State and Federal governments provided more grants than loans. Students were not asked to mortgage their future. But over the last 10 years the balance between grants and loans has been inverted—the number of loans far outweigh the number of grants. Loans are now the largest source of Federal student aid. And, even the number of loans has decreased. The explosion in the numbers of eligible Pell grant recipients combined with inflation meant that in 1992, 4.2 million students were forced to share the same amount of money that served 2.8 million students in 1987.

FINANCIAL AID IS AN INVESTMENT IN OUR FUTURE

Statistics show that financial aid to students more than pays for itself by stimulating economic growth, expanding the tax base and increasing productivity. A college degree makes an extraordinary difference in the lives of people holding them and in the lives of their communities. Our new service and information based economy increasingly requires the technical skills and knowledge that can only be obtained through higher education.

Higher education also makes a difference to us as a Nation. A more educated citizenry makes a strong democracy.

THERE ARE BIG DIFFERENCES IN THE FUTURE OF THOSE WHO GO TO COLLEGE AND THOSE WHO DO NOT

Higher education is a ticket to greater opportunity and a better standard of living for millions of people. That is why over 82 percent of Americans feel that without a college-educated work force we will not be able to compete in a global marketplace.

It certainly has been instilled in me since I was young that the most important way to improve your lot in life was through an education. An education meant that your life would be better than your parents. That you would have more opportunities that they did. I feel the same about my children, and now my grandchildren. And, I think an education is even more important now than it was when I was growing up. The economy is so unsure these days that there is no guarantee that our children will be better off than we are. This is one of the biggest worries I hear back home. And part of that concern is the affordability of college.

According to the Department of Commerce, the lifetime average earnings of a man with a college degree is 51 percent higher than his colleague with a high school degree. The difference for women is even greater. The lifetime average earnings of a woman with a college degree is 57 percent higher than her colleague with a high school diploma.

In 1992, figures showed that the median income of men who were dropouts was $15,928, for a man with a high school diploma it was $22,765, and for a man with a college degree it was $36,691. For women dropouts the median income was $9,784, for a woman with a high school diploma it was $13,266, and for a woman with a college degree it was $24,126.

And, of course unemployment rates are decreasing according to education levels. In 1990 the unemployment rate for high school dropouts was about 12 percent. A high school diploma cuts that rate in half. A college degree cuts the rate in half once again.

CONCLUSION

All children, and all people, must share in America's future. We should not be balancing the budget on the backs of students, nor should we be balancing the budget by cutting back on investments in our future. And this must include opportunities for a college education.

The numbers in the current budget proposal that we now have in front of us do not add up. Despite what may be said, we cannot cut $40 billion without substantially reducing Federal aid to undergraduate and graduate students thus denying opportunities for millions of our young people. This educational opportunity cannot belong only to the well to do.

I urge my colleagues to restore the $40 billion proposed cuts in Education programs to the budget. We must send the message loud and clear that this Congress is committed to assuring that all children, youth, and young adults have educational opportunities to become productive, tax-paying citizens of America.

Finally, all I can say as somebody who has been a teacher for 20 years—and it is impossible for me to speak about this issue in now 1 minute or less—I will just say to my colleagues that they are being myopic, very shortsighted, if they do not understand that the very best we can do is invest in the health, intellect, and skill of young people.

If we want to reduce poverty in this country, focus on a good education. If we want to have real welfare reform, focus on a good education. If we want to have a stable middle class, focus on a good education. If we want to have a country that can compete in the international arena, focus on a good education. If we want to have a representative democracy where men and women can think on their own two feet, understand the world, the country, and community they live in, and know what they can do to make it a better world,

a better country, and a better community, focus on a good education.

This budget resolution takes us exactly in the wrong direction, and that is why I support this amendment and that is why, one way or another, we will have a lot more debate on this issue over the next 4 or 5 months, several years to come.

This resolution is a huge mistake. We will never reduce the violence, Mr. President, in our communities unless we understand an essential truth, which is we must invest in the health and the skills and the intellect and the character of young people in America, and that starts with investment in education.

That is all I can do, I say to my colleague from Iowa, in 1½ minutes.

The PRESIDING OFFICER. Time has expired.

PRIVILEGE OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent that Elizabeth Street, a congressional science fellow, and Ruth Hardy, a J.J. Pickle fellow, be granted privilege of the floor during the remainder of the debate on Senate Concurrent Resolution 13.

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

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, I understand we have 82 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. BENNETT. Mr. President, I will have some opening remarks, but my colleague from Indiana wishes to speak first, and so we will turn to him. But before I do, and while my friends from the other side are still on the floor, I would like to make one opening comment for myself that I believe resonates with other Members on this side.

Senator WELLSTONE said if you want to solve poverty, focus on education; if you want a solid middle class, focus on education; if you want a sound working force—et cetera—focus on education.

I wish the record could be very clear that this Senator could not agree more with that statement. Indeed, if I may be personal, Mr. President, the thing that got me back into public life after I had left it and decided that I would spend the balance of my career in the private sector as a business executive was when I got a phone call asking me to serve as chairman of the Strategic Planning Commission for Education in the State of Utah. For the next 18 months, I immersed myself in educational issues. I came out of that with the conviction that with the collapse of the Soviet Union, education has replaced defense as the No. 1 survival issue in this country.

So I yield to no one on either side of the aisle in my conviction that we must, as a Nation, solve our educational problem. But I ask this rhetorical question as we begin this debate: As we agree about the importance of education, does that mean that there is no such thing as an educational program that is not working and may need to be defunded? Does that mean, in our conviction that education is essential to our survival, that there is not anything in the Department of Education that could be done more efficiently than is being done today and might, indeed, with better management yield up some hard-earned dollars to go toward balancing the budget? Does that mean we cannot have a lucid discussion about education in this Chamber that focuses on the effectiveness of the educational dollars that we are spending because education is such a Holy Grail that nothing relating to its effectiveness or its performance can be discussed?

If that is what it means, then I think the debate in this Chamber will not be particularly enlightening on this subject to either side.

Before I yield time to the Senator from Indiana, I would like to review the overall record. In unadjusted dollars, Federal spending for education has gone up 900 percent from 1965 to 1993. In constant dollars, it has more than doubled in that same time period. And what has happened to our educational achievements in the period when we have been doubling our commitment? The national assessment of educational progress says that over the past 20 years, there has been little overall change in student proficiency in reading, writing, science, and mathematics.

The senior Senator from New York, prior to his entering this Chamber, was a distinguished writer, and I remember reading an article by him where he said whimsically—and we all know he is given to whimsy at times—if you were to put educational achievement and educational spending on the same chart and track the trend lines, you would come to the conclusion that increased spending produces decreased performance in a straight cause-and-effect relationship.

The senior Senator from New York obviously does not believe it. He did not believe it when he said it, but he said it to make the point that the problems in education are not necessarily problems of money. I came to that conclusion in the 18 months that I immersed myself in educational issues in Utah.

I am dedicated to doing what I can to resolve and repair educational problems in this country. I have established a foundation to which I have given my personal wealth, whose primary focus right now is exploring new ways of solving our educational problems. We have some pilot projects which I may talk about where we are achieving dramatic breakthroughs in teaching and learning progress among disadvantaged students without any increase in costs.

With that opening statement, then, Mr. President, I yield such time as he may consume to the Senator from Indiana.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER (Mr. COVERDELL). The Chair recognizes the Senator from Indiana.

Mr. COATS. Mr. President, I thank the Senator from Utah for yielding, and I certainly want to say how much I respect the amount of effort and time that he has personally committed into looking into this issue, certainly more than this particular Senator. I am anxiously looking forward to his discussion with us about what he has found and what he learned in those 18 months that he has committed to studying this subject. And I think he raises the essential point that we are attempting to deal with here, and that is not whether or not Members of either side are more or less committed to education. I think we are all committed to education. I think our record shows that we are committed to education. But what many of us are attempting to communicate is that the current system of education—providing public education for our children in this country—does not seem to be working very well. Report after report throughout the decade of the 1980's, and now the 1990's, indicates that there are significant problems with the public education system in America. It is not based on anecdote, but it is based on facts, studies and statistics.

And so the question that Republicans are essentially raising is: Is there a better way to provide education for America's young people, so that they are better prepared to enter today's work force, so that we as a Nation are better prepared to compete internationally, so that we as parents can provide our children with better opportunities to learn? Those are the questions that are before us.

It is, in a sense, a question of, do we retain the status quo, the structure, the framework that has brought us to this point in American education, or do we allow for change? Do we allow for experimentation? Do we allow for a different approach? And perhaps if we do that, we can find that there is a more effective, more cost-effective and results-oriented way of providing education in this country.

Now, if it were simply a matter of money, we would be the best-educated Nation in the world. Our children would be head and shoulders above everybody else, because we have poured untold amounts of money into education in an attempt to solve the very problems that I think we all recognize exist today in education. It is the solution where we draw a line of distinction in terms of the difference between us.

The fact is that education spending has increased dramatically. In the last 30 years, we have increased spending four times what we spent in the 1950's. On average, we pay as much per student per year in public schools as many private schools charge. Per pupil spending tripled from its 1960 level, resulting in an average cost of $5,971 in 1993 figures. In the last 10 years alone,

per pupil spending nationwide has increased 30 percent above the level required to keep up with inflation. That is according to the Education Commission of the States' report.

The Department of Education, in its first year, which was fiscal year 1980, housed 150 programs funded at $14 billion. Today, just 15 years later, it houses 250 separately authorized programs, employing nearly 5,000 people. Its fiscal year 1995 appropriations total is $33.7 billion. Their administrative costs alone are $440 million. The Education Department spends nearly $500 for every student in America.

So the question is not, are we pouring money into education, or are we making resources available either at the Federal, State or local levels for education. That is being accomplished. The question is: What are we getting for the money that we are putting into education? Are we getting the kind of results back that all of us here would desire? Or should we look to see if there is a more effective way of accomplishing this goal?

I suggest that we need to look—and look pretty immediately—at whether or not there is a more effective way, because the results are pretty discouraging.

We have all heard about the decline in SAT scores and the National Assessment of Educational Progress Reports, where in the face of the fact that real public spending in elementary and secondary education rose from just over $50 billion in 1960 to nearly $190 billion in 1990, and whereas real per pupil spending more than tripled from $1,450 in 1960 to $4,622 in 1990, I do not know of anybody saying that the result has been a tripling of the quality of education that is being received by our students.

Eric Hanushek, in his book, ''Making Schools Work,'' which was published by the Brookings Institution, concluded from an exhaustive study of educational funding in America, that funding is not related to school quality.

A study done by American Demographics, a publication of the U.S. Census Board found that——

Mr. WELLSTONE. Will the Senator yield?

Mr. COATS. I will be happy to yield when I have finished my statement. My understanding is that the Democrats have had their full 90 minutes. We would like to use some of our time. I know the clock is running.

Mr. WELLSTONE. I did not mean to interrupt. I understand.

Mr. COATS. The results of the American Demographics study found that there was no direct correlation between the amount of money spent per pupil and student performance. In fact, there were many examples where it was the reverse—the more money spent per pupil, the worse the student performance in that school actually was. And oftentimes, where the amounts per pupil were relatively low, performance was relatively high. And so experts studying the situation had to go in and determine whether or not there were other factors involved in providing learning and education for our students. They found that there were many other factors involved.

Many have pointed to those factors. And those are factors that I would hope throughout the debate this year on education—and to my colleagues who said it is unconscionable that we only have 3 hours, let me just reply that I was not here when the unanimous-consent agreement was offered, but unanimous consent by its very nature means that any one of us can object. If anybody wanted to object, I suppose we could have objected to that.

We will have probably hundreds of hours of debate on education this year in this Congress. There are many bills that will be coming up. Senator LIEBERMAN and I are offering a bill, which may be an amendment to education. Others will be offering amendments on various bills. We will be dealing with this subject at length. So I do not think anybody needs to worry that we are going to be shorted in the amount of time we are going to speak on education subjects.

But, clearly, for those who think the solution to education is simply to pump more money into a system that has produced such disastrous results—I cannot understand that logic. It seems to me that now is the time to be asking fundamental questions about how we can reform the education system in this country. What changes can we make? What demonstration programs should we enter into to give us more data with which we can make decisions?

I have found—and I think this is supported by a number of studies and researchers—that there are some very basic principles that are involved in providing sound education. If you study schools that produce results, if you look at students that can demonstrate through their educational achievement the kind of success that we are looking for, you find some very common themes running through the whole program.

One theme is that the education process to which those students have been subjected to dealt with basic core subjects—the reading, writing, arithmetic and other subjects that have traditionally formed the core of our elementary and secondary education in this country.

We have seen a great deviation from that in the last few decades. There have been many new experimental programs and so forth, and unfortunately, the kind of electives that students have been allowed to sign up for, have not resulted in the kind of educational achievement in the basic subjects necessary for adequate performance in the workplace.

Schools that have returned to basic core subject teaching have turned out students that are much better prepared to compete in today's society.

Second, we found that in those schools that have demonstrated success and students have demonstrated success, we have found that there has been a pretty steady, high level of discipline, that the standards established by the schools, by the communities in which those schools resided, and administered by the administrators and the standards to which the students were held accountable, were high standards. Discipline was one of the major ingredients, one of the basic principles underlying the education process.

Third, we found that there was an emphasis on teachers, not on administrators. We have seen an explosion of administrative costs in our schools, where it seems that we have more positions filled by administrators than we do teachers.

Mr. WELLSTONE. Will the Senator yield? I wanted to ask a question.

Mr. COATS. Mr. President, I give the same reply to the Senator from Minnesota that I gave before. I would like to be able to complete my statement. I am sure the Senator has a number of questions he would like to ask, but I would prefer to make my statement. To the best of my knowledge, we allowed your side to make your statements without interruption, and I think we would appreciate making our statements without interruption. I know the Senator would like to engage in debate on this subject. The time is divided. We will be happy to do that. There will be plenty of opportunities all year long, in committee, on the floor. We are under a time limitation. The limitation was agreed to. The Senator from Minnesota and Iowa agreed to it, or did not object to it.

So here we are. I think those of us who have a statement to make, to counter the statements made by the Senator from Iowa, the Senator from Minnesota and the Senator from Massachusetts, would like to make those statements without interruption.

Mr. President, if I could do that, I would appreciate that.

The PRESIDING OFFICER. The Senator has the right not to yield.

Mr. COATS. Mr. President, as I was saying, I think one of the basic principles underlying the provision of a sound education is the emphasis on those providing the education, not on those administering the building. One of the most discouraging things to this Senator in viewing public education is to find the layer upon layer upon layer upon layer of administrative bureaucracy designed to solve every problem in the school except providing the teaching of the student.

Inevitably, the more we involve the Federal Government in the educational process, the more layers of administration are required. The more assistant principals for this, that and everything else, the more forms, the more procedures, the more rules, the more of everything but what ought to take place in the classroom.

I, for one, have been urging the Senate to revise the way in which we fund our schools so that we can provide funds to hire competent teachers and then let them teach.

Another thing I have noticed: it does not make a difference how fancy the school is, how much equipment they have, or what the condition of the building is, these items pale in comparison to the requirement that the teacher knows what they are doing and the teacher is able to provide sound teaching to the students under his or her tutelage.

The fourth basic principle I found that seems to be a component of successful education is that the school involves the parents, that there is parental involvement and community involvement in the education process. There is a direct correlation between parental involvement and educational success.

Those are part of the values that we cannot necessarily legislate. Pumping more money into the Department of Education is not going to suddenly transform parents into being more concerned about their children's education. It is not going to make them show up at school more often, be more involved in the homework, be more involved in making sure their student gets to class on time and performs the work that is assigned. Community involvement and parental involvement is an essential key ingredient to educational success.

Finally, and I know this is controversial, but those schools that maintain some core basic values, have some value education as part of their curriculum, are more successful in turning out students who perform better, who are better trained, who do better on the tests. It provides, I believe, a better atmosphere for learning and has been demonstrated to be effective.

The sad reality that has emerged from about 30 years of Federal involvement and ever-increasing Federal dollars and ever-increasing Federal rules and regulations into our education is a pattern of more spending, especially as I said for administration, fewer students staying in school through graduation, lower SAT scores, lower graduation rates and dismal rates of academic proficiency.

We only need to look at the District of Columbia right outside our door to show that spending per pupil is not the solution to the problem. Most public school graduates arriving at college, graduating from District of Columbia schools, are ill-prepared for their further education. Nearly 90 percent of the freshmen at the University of the District of Columbia last fall needed remedial work in English, 49 percent had trouble reading, and 49 percent could not do basic math.

Now, is the solution to pour more money into the system? Or is the solution to say maybe there is something wrong with the system. Maybe we ought to look at ways in which we can change the system.

That is one of the things that Senator LIEBERMAN and I are attempting to do with our school choice demonstration project, designed for low-income families and low-income students and parents who find that their students are trapped in a public education system that is not going to provide them with the education they need to rise out of their current level of poverty. Many parents, particularly those who live in the inner city, are begging for the opportunity to send their students somewhere other than the public education facility.

We have a school in Indianapolis, IN, which is a private parochial school that spends one-third of the amount per pupil as the public school just down the block. We have parents standing in line trying to enroll their students in a parochial school that spends one-third less on their students than the public schools, because they know they are going to get a better education. And why will they get a better education? Because the basic principles underlying the education in that parochial school, many of which I have outlined earlier, are not provided in the local public school. All Senator LIEBERMAN and I are attempting to do is set aside some funds so that on a voluntary basis, communities can enter into demonstration programs, demonstration programs which will provide this Congress with objective data about the school choice alternative, which we can use to determine how best to make the necessary changes in the education system to enable the children in this country to lead successful, productive lives.

Yet each time we offer this amendment, we are thwarted by the same proponents of this amendment. We are not allowed any experimentation. ''Do not do anything different. Keep the system just exactly as it is. The only thing it lacks is more money.''

Well, I would argue, Mr. President, that it lacks much more than greater amounts of money, rather that it needs fundamental, basic reform. I do not have the answers as to exactly what that reform ought to be, but we ought to at least be able to experiment and give students and parents a choice outside the system. If we can give them a choice outside the system, maybe it will make the system better.

If we had one car company in America, I daresay that we, as consumers, would not enjoy the variety, the quality, nor the cost effectiveness that we get from having competition throughout the industry.

I am not aware of any system in America, that as a monopoly, operates efficiently. Competition spurs better performance, it spurs more cost-effective performance, it spurs better results. Yet we do not have competition in schooling alternatives in America for those with low incomes.

It is easy for Senators to say, ''Let us keep all the emphasis on public schools.'' We can afford to send our kids somewhere outside the public schools. My children go to public schools, but it is easy for me. If I do not like the public school I can afford to send them somewhere else. But what about the low-income mother, living in the inner city? What about the parents who do not have the income to have a choice? They are condemned to a school which is condemning their child to an inferior education, trapping that child in circumstances and in poverty. And we cannot even provide a demonstration project to see whether or not it would benefit the children to have a degree of choice as to what school they attend.

Who are we trying to protect? The administrators? The system? Or do we really care about the education of children? I submit our goal here is not to protect the system. It is not to protect the administrators. It is not to protect the lobbying groups. Our goal is to look out for the children and give them opportunities that they have not had under our current system.

So, I urge my colleagues to reject this ''Let us just put more money into the existing system'' amendment. That is what it is. ''Let us make sure we perpetuate the status quo. Let us keep everything within the box and the framework will be defined by the public system and their lobbyists. They will define the framework. And do not let anybody dare compete with them because they might do it better.''

Who do we really care about? Who are we really looking out for? I contend it is the students we should care about. It is their future we should care about. And we ought to give them the opportunities to escape a lousy, rotten, failed school if that is where they find themselves.

There are many public schools doing a fine job in America. But there are many lousy schools doing a lousy job in America. And to trap a certain segment of our population, low-income families, in that situation I think is a great disservice to the future of this country. To argue that those who object to putting more money into the failed system are against education, or do not care about the future of America, or somehow do not care about the future of our children, is the most disingenuous argument that I have heard. It just flies in the face of the facts that we all know are true.

As the report in the 1980's said, we are just treading along in a sea of mediocrity in public education in this country. It is high time we made some changes in the system. In 1995 let us be a little bit innovative, let us be bold, let us take some chances, especially when we are dealing with a system that has failed us so badly.

I went on longer than I intended. I thank the Senator from Utah for his generous yielding of time. I yield the floor.

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

Mr. BENNETT. Mr. President, I yield myself such time as I may require and will yield shortly to the senior Senator from New Mexico, who has a point to make.

Mr. WELLSTONE. May I have a point of inquiry and that is it?

Mr. BENNETT. I will be happy to yield to my friend for a question.

Mr. WELLSTONE. Will there be any opportunity for questions and discussion after the Senator speaks? Or does he want to just go forward without any questions?

Mr. BENNETT. I cannot speak for other Senators. When I get in my presentation, if the questions are not so much a barrier to prevent me from going on to the point I would make, I will be happy to yield for questions at the appropriate time, and tell my friend he could look forward to that, if he can stand the boredom of staying on the floor until I get going.

Mr. WELLSTONE. I thank my colleague for his graciousness and say to him, as a teacher, as long as we are talking about education, the best education is when we have a chance to have this exchange of views. I thank my colleague.

Mr. BENNETT. Mr. President, we have had some general statements about education here. Undoubtedly we will have some more before this time is up.

May I ask how much time remains?

The PRESIDING OFFICER. The Chair would advise the Senator from Utah that he has 49½ minutes remaining.

Mr. BENNETT. I thank the chair.

Let us talk for just a minute, although it may seem extraneous to the discussion we have had, about what the amendment does. Let us talk about the parliamentary situation with which we are faced, rather than about cosmic matters relating to education in general.

The total amount of Federal spending in America's educational system comes to 6.6 percent of the total figure. So we are talking about what happens to that Federal 6.6 percent. With all of this talk about gigantic slashes, even if we were to eliminate all of it that would be a 6.6 percent cut. But of course we are not talking about eliminating all of it. We are talking about funding here at a level that has been established in fiscal 1992. Someone says, ''Why do you go back to 1992?'' Simply because as I understand the budget process, there was a strong blip up in 1993 and 1994, and the Budget Committee has gone back to the level that they would consider to be more traditional, to hold that level through the year 2002. So we are talking about level funding, not slashing all of the 6.6 percent.

From some of the rhetoric I have heard on the floor this afternoon you would think we were cutting the entire educational system of the country by huge, huge amounts when in fact the amendment proposed by the Budget Committee would establish a level of funding for that which is 6.6 percent of the total rather than the other implications we have had.

Do Washington education dollars fund my daughter's textbooks? No. That is all done with State and local funds. So this budget has nothing to do with textbooks.

Do Washington education dollars pay for my son's teachers? No. That is all done with State and local funds. This has nothing to do with the paying of teachers' salaries.

Then do Washington education dollars build my neighborhood schools? No. We are not talking about building schools, paying teachers, buying textbooks or supplies.

The Federal dollars we are talking about go to very specific programs, primarily to assist State and local governments in efforts for special populations: Disadvantaged, individuals with disabilities—Federal dollars go to assist State and local people in that population. I stress assist, because, once again, the bulk of the funds come from the States and the localities. I will address that in just a moment. It goes to assist those with special needs: Bilingual education, drug use prevention, dropout prevention and so on. Some assists with research.

The programs with the largest outlays in the Federal dollars are Indian education, impact aid, school improvement—that is drug-free schools—math and science improvement kinds of things, education for the disadvantaged—we call Chapter 1 programs—and, as I say bilingual education, special education, rehabilitation services for those with disabilities, some vocational, libraries and so on.

I alluded, in my opening comment, to my experience as chairman of the Strategic Planning Commission for Education in the State of Utah. We looked over the budget. That is where you start. You look at the numbers. And as the folks were outlining the budget to me, I said, ''Can we move any money from this to this?''

I was told, ''Oh, no. You cannot move any money from this function to that function.''

''Why not?''

I am coming in as a businessman, all excited with this assignment from the State Board of Education. I am going to show them some sound business practices—all the naivete that comes with that kind of assignment, with those who really do not understand what they are getting into.

I was told: ''You cannot move this money from this program to this program because when it is over here, it is matching Federal funds.''

And naively I said ''Oh, matching Federal funds? OK. I understand that. We are spending 50-cent dollars, are we? The Fed put up 50 cents, and we put up 50 cents. I can understand that. Is it not wonderful to spend 50 cents out of every dollar?'' ''Oh,'' they said. ''Bob, you really are naive. The Feds do not put up 50 cents. The Feds will put up 15 cents and require you to match the 85.'' ''Oh. Well then,'' I said,''in that case, if we do not like the program, let us just tell the Feds to keep their 15 cents, and we will spend the 85 cents someplace else.'' Once again, with the shake of the head, ''Bob, are you naive? You have to put up the 85 cents whether you want to or not. The Federal law requires it.'' I said, ''Wait a minute. What is it? Matching funds? Matching means 50–50.'' They said ''No. Matching means whatever the Feds decide it means.'' ''You mean we cannot refuse the 15 cents? We have to take the 85 cents, whether we want to or not, and spend it in this program?'' They said, ''Now you are beginning to understand.''

I said, ''What would happen if we did refuse the 15 cents?'' They said, ''The Federal Government would sue you. And they would win.'' I said, ''Isn't there any program of matching funds where the Feds put up at least 50 cents out of every dollar?'' They said, ''Yes. There is one program where the Feds put up 50 cents out of every dollar. It is school lunch. But everything else the Feds put up less than 50 cents and the States have to put up more.''

So they said, in effect, even though the Federal Government only puts up 6 percent of the total educational budget, the Federal Government controls the State priorities through this process because they distort how you are spending your State funds. My first education, if you will, in education and the discovery of how intrusive the Federal Government can be. Somehow I came back here with the desire that that ought to be changed. And this budget resolution which begins to level out rather than continue to spiral up Federal spending, I think, gives us an opportunity to effect that kind of change.

We have heard a great deal on this floor about the cost of college education, how we need to bring down the cost of college education, to do something about student loans, as this budget resolution does, and that it would be devastating to every college student who has to borrow money to go to college. Now, in this debate they are ignoring one very important thing when they say that.

I am about to yield time to the senior Senator from New Mexico because he has a chart on this and is ready to talk to us about that.

The important thing to remember is that the Congressional Budget Office has told us that, if we adopt this budget resolution, interest rates will come down. That means students who borrow money to go to school will have to pay back less because they have lower interest rates. Not only those students who are borrowing student loans, but also those students who, for one reason or another, cannot get a student loan

will also benefit as a result of this budget resolution. The benefit will be across the board. All students who have to go into debt to pay their college education, whether themselves or their parents, will benefit as a result of this budget resolution, and you are diluting that if you adopt this amendment.

Mr. GREGG. Mr. President, will the Senator from Utah yield for a question?

Mr. BENNETT. I am happy to yield for a question.

Mr. GREGG. Does the Senator from Utah think there is a certain amount of irony in this? You have these Members from the other side of the aisle who I know come here in good faith, spending money which is basically the result of the efforts made by Members on our side of the aisle to get the budget balanced, which dollars are generated by a scoring of a balanced budget, as a result of which the CBO says they can score a 2-percent reduction in interest rates.

So the money which is being used in this amendment to fund this alleged expenditure, or this expenditure they are proposing, is generated by a 2-percent dividend which is the result of the drop in interest rates. Yet, they totally ignore at the same time that that 2-percent dividend in a drop in interest rates will run to the benefit of all the students who are borrowing money, all the homeowners who are borrowing money, all the people who have credit cards, all the folks in this country who are involved in the use of credit, whether it is for a home or for getting through the day with their Visa card or MasterCharge card, or whether it is their education.

So they are perfectly happy to spend the money that is generated by this 2-percent dividend, but they give us no credit for scoring the benefits to the students of this country as a result of getting that 2-percent dividend.

Is not that ironic?

Mr. BENNETT. I agree that it is ironic. But it goes beyond that, if I may respond.

The adoption of this amendment would imperil the creation of the so-called special fund or discretionary fund at the end of the process from which they intend to take the $40 billion. In other words, if in fact more money is spent on education than is called for in this resolution, the fund at the back end will not occur and, therefore, it will not be available to them to pay for the $40 billion that they are spending. The only way that can be there is if the budget amendment is held intact.

So it is not only ironic; it is fiscally impossible for you to do both things at the same time.

Mr. GREGG. If the Senator will yield for an additional question.

Mr. BENNETT. I will yield for an additional comment.

Mr. GREGG. I think this point is very important to emphasize because I asked my staff. If they are going to continue to spend this 2-percent that is generated as a result of interest rates coming down, should not we at least find out what that benefit is to the American people generally, not only in the area of deficit reduction but generally? So I asked my staff. They talked to the people at the Federal Reserve and found what the gross consumer debt is in this country and what the gross home ownership debt is in this country. One can make a simple calculation. What is 2-percent of that worth to the American people? They did that. I am not sure how good their math is, but their numbers say that the 2-percent savings on the gross consumer debt, which happens to be $928 trillion, 2-percent savings——

Mr. BENNETT. Was that $928 trillion?

Mr. GREGG. That is right.

Mr. BENNETT. I think the Senator missed a decimal point.

Mr. DOMENICI. That is the entire consumer debt.

Mr. GREGG. The entire consumer debt. The Senator is right, ''billion dollars''; $928 billion.

Mr. BENNETT. The entire worth of the country is about $27 trillion.

Mr. GREGG. Just a second. I will get to the trillion dollars. The 2-percent savings on that is $18 billion annually. On home ownership mortgages, the entire debt is $4.3 trillion—$4.3 trillion—which means that the annual savings on that number is approximately $90 billion.

So you put those two together, and you are up to $100 billion of savings in interest costs that we are going to generate for the American consumer over the next year, every year that we have in place this balanced budget.

I did not happen to get the number for what the gross amount is of student loans, but I think that would be a very interesting number. The gross amount of student loans which we have in this country, take 2 percent off that, and I suspect you are going to see that the dividend to the students in this country far exceeds the number which is being considered here over a 5-year or 7-year plan.

I think this is critical to understand because there is nobody on that side, nobody, who is going to vote to institute the type of changes that are necessary in order to get to a balanced budget which generates this dividend, this reduction in interest rates.

I think it is critical. I appreciate the Senator from Utah correcting my math. That is deeply critical. But I think it is very important, as the Senator from Utah has pointed out; it is a very significant fact.

Mr. BENNETT. I thank the Senator.

I have two observations. One is a personal one. I remember when I went to the University of Southern California where my son decided he wanted to go. I went there with some fear and trembling because I did not think I could afford to have him do that, my two other children having gone to much cheaper institutions financially.

I said, ''Can I get a loan?'' They said, ''Well, what is your income?'' I told them my income. They said, ''Well, we are not sure. Do you have any other children in college?'' I said, ''Oh. Sure.'' I have six children and not all of them were in college at the same time but enough were. They said with other children in college I could get a loan. I said, ''Good. At a lower interest rate?'' ''Oh, yes. Subsidized interest rate.'' Then they said, ''By the way, what is your house worth?'' I was living in southern California at the time, and real estate prices had gone sky high. And when I told them what my house was worth, they said, ''There is no way in the world you can qualify for a loan with that much net worth.'' The only way I could get that son in school was to take out a second mortgage on my house. But I could not get it subsidized with a Government program because my house was worth too much.

So, on a personal basis, bringing down the interest rates 2 percent on my home loan would have been tremendously valuable to me in terms of what I could afford for that student. And that goes to the point I was making earlier, which is this budget resolution, if passed intact, will not only benefit those students that are getting student loans from the Government but the over 50 percent of students whose loans are not subsidized by the Government but whose parents are paying for it directly.

I refer you to the chart which the senior Senator from New Mexico has placed on the floor, and I ask the Senator if he would care to take us through that.

I yield such time as the senior Senator from New Mexico may require.

Mr. DOMENICI. I thank the Senator very much.

Mr. President, I am not sure that Senator HARKIN would be within earshot of these comments, but actually, from my standpoint, I would just suggest he very much wanted to speak and apparently did not get a chance. I would have no objection if he wanted to use 5 or 6 minutes of our time, if he appeared here shortly on the floor, I say to the Senator.

Mr. BENNETT. I would have no objection.

Mr. DOMENICI. If the Senator would like to come to the floor, I will yield him 6 or 7 minutes if he wants to speak. We will try to work it out where he does not get the last remarks, just as a matter of principle but, otherwise, I would not mind at all.

Mr. President, maybe what I will do for a few minutes is just go through about 5 charges, what we have been charged with doing in this budget, and respond to it in terms of what we think we are doing. So maybe I could just take a few minutes and do this.

Yesterday, I was on the floor and heard this. I would be very surprised if it was not said again today. Under the

Senate resolution, thousands of students will not have access to Pell grants. Remember that statement?

Response: The budget resolution before us makes a number of assumptions and comes out with exactly the amount of money saved and spent in this resolution. The answer to that charge is: Absolutely false. The Senate resolution assumes no changes in the Pell grant program.

In fact, the report accompanying the resolution states clearly current law funding for Pell grants is assumed. The Pell grant program, while a discretionary program and thus up to the appropriators, is funded on the basis of eligible population. The resolution assumes that this will continue to be the case. The Pell grants will be $2,340 per student. The Senate resolution has no change in current law.

Next one. Charge: Under the Republican plan—and this is the most gross charge and grossly erroneous charge—it will cost graduate students $40,000 more to go to school.

Response: This argument is based upon the assumption that the student borrows the maximum amount for all 4 years of undergraduate education, for 2 years of graduate school, that interest accrues during that entire period while the student is in school, and they repay the loan over 20 years.

Now let me suggest, the Senate plan does this: For the above student that I just referred to, interest costs would accrue during school only for those loans taken out as a graduate student, not undergraduate. Under the Senate plan, under the most extreme case, for example, if a student borrowed the maximum amount, $65,000 over 6 years, and took 30 years to repay—not 20, but 30; so we even make it a longer period of time—their cost would rise by 10 percent over what they would pay under current law.

Under current law, this student would repay a total of $173,605. Under the Senate plan, in an extreme case, affecting less than 1 percent of all students—that is why I used it; it is an extreme case—we would add $17,000 over 30 years, not $40,000 over 20, and only 1 percent of the students borrowing money today would be affected by that most extreme scenario. And they are all graduate students. Now, that is the truth.

Charge: Under the Senate resolution, it will cost undergraduate students an additional $5,000 repayment of their loans.

Our response: That assumption is based upon the premise that an undergraduate student borrows the maximum amount allowable each year for 4 years, and that interest accrues during the in-school period.

Again, this is false. The assumption about the Senate resolution is false and is being done in a vacuum. The Senate resolution assumes current law with respect to undergraduate students while they are in school. Under current law, while they are in school, their interest will not accrue until graduation.

Under the Senate balanced budget resolution, a student who borrows $17,125 over 4 years will pay an additional $182 over the 10-year repayment, for approximately $1 per month.

Now, I could go on, but I will insert in the RECORD the charge about middle-class families not being allowed to send their children to college. That is an allegation, a charge.

Response: For all students, the plan provides a current growth in loan volume as projected by the Congressional Budget Office.

According to the Congressional Budget Office, the availability of loans for students at much lower cost than what they could receive in consumer markets will not be limited in any way under this budget plan.

Under this Senate plan, students will receive $26 billion in 1996. The level of available loans will continue to rise to $33 billion by the year 2000.

Over the next 5 years, $151.4 billion in student loans will be available.

Now, Mr. President, I am quite sure that for those who listened to the debate, they would never have assumed that that is the case, for they would have assumed the Republicans do not understand the value of education. They would have assumed that we just set out on a course to say even those programs that are successful, we are for cutting them, tightening them up, getting rid of them, none of which is true.

Mr. President, I would like very much to go through this chart for a minute and then tell the American people what we are trying to do.

Here is the way the undergraduate program looks.

Current law, original principal and amount borrowed, $10,000. Senate budget resolution, same, $10,000. Difference, zero.

Amount used to pay fees, $400; $500; $100 in additional fees.

In other words, we are having the student pay a little bit of the fees, $100.

Amount available to pay education costs over 10 years, $9,600; $9,500; minus $100.

Original principal amount of repayment, $10,000; $10,000. Difference, none.

This next one, the accrued interest during 6-month grace period. This is the change. Right now, you have 6 months after graduation and obtaining the degree before interest starts to accrue. So during that 6 months, there is zero. In the suggested program in that budget resolution, you do not get that 6-month grace. You start paying interest—$330 total amount at repayment. You would have thought these undergraduate students were going to end up paying three or four times what they are paying—$10,000; $10,330; plus $330.

Perhaps there are some who would like to say, ''We can't afford that. We just cannot do that. Do it somewhere else.'' Or, ''Do not get a balanced budget. Just charge the future generations. That is a little, tiny bit of money.''

Repayment at a standard 10 year monthly payment, $123. Estimated after the balanced budget, $124. Why? Interest rates come down. The amount is $1.

Somebody might say, ''But what if those interest rates do not come down?'' Let me see if I can read what happens. This one is changed to $8, Mr. President. So instead of $1, which we assume will be the case, a $1 increase, it will be $8. This is the entire student loan program, $26.6 billion. Are we cutting the $26.6 billion? How much is it going up to? One hundred fifty-one billion dollars over 5 years, that is what we are recommending this loan portfolio be for undergraduates. Cumulative repayment.

College students of America, your contribution to helping us balance the budget of the United States under the student loan program is $1 a month increase, an astronomical amount over the 10-year repayment of $142. Frankly, I will take my chance on that on any campus in America. I will go tell the freshmen and the seniors: For your student loan program, do you want to share a little bit with us the sacrifice so we can get a balanced budget, or do you want to listen to people who say to do that is to destroy universities, is to eliminate opportunities for all our children, all those wanting to go to college?

I do not believe that is the case, and I do not believe the young people in college feel that. If we were not going to get a balanced budget, and we were just going to run-around here like we have been doing for all these years and tinkering around the edges and say we will take care of that some day, some day some year—in the meantime, get your college degrees and go to work and then we will make you start paying off these bills. Not these bills, these other giant bills, these billions that we are going to charge to you, you college students, we are going to make you pay them off, I would think they would jump for this proposition. Frankly, that is not all.

We have been accused here of cutting title I for the poor children. Let me tell you, I do not know whether the appropriators will cut it or not, but we left it at current law. We did not even touch title I. It needs a lot of reform, everybody knows that. It has been reformed somewhat. We did not touch it. We said it is a good program.

You know, Mr. President, we do not have the time to go through every charge, but I thought it might just do a little bit of good to put in perspective one program that people are talking most about. That is the undergraduate student loan guarantee program. I think we have done that fairly well here, and I thank the Senator for yielding.

Mr. BENNETT. I thank the Senator. Mr. President, how much time remains?

The PRESIDING OFFICER. The Chair advises the Senator from Utah that there are 20 minutes remaining. I notice the Senator from Idaho on the

floor. I yield 10 minutes to the senior Senator from Idaho.

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

Mr. CRAIG. Mr. President, let me thank the Senator from Utah for yielding in what is really one of the most important parts of the debate as we consider Senate Concurrent Resolution 13, and that is a portion of the debate that most of us would consider, and many would argue from the other side, is a portion of the Federal budget that is an investment in the future, an investment in the education of our young people.

While the amendment of the Senator from Iowa and South Carolina would argue all of these very worthy issues and attempt to put them in perspective, what they are really arguing is against a balanced budget. They are largely arguing that at least there should be somewhere near a $40 billion to $50 billion deficit built into the budget as we are now having it proposed to us, at least to the future, the next 5 to 6 years, and the dividend that the chairman of the Budget Committee and that Senate Concurrent Resolution 13 embodies that we believe would go into potential reductions in taxes that would stimulate the economy simply is not what ought to be done or how it ought to be spent.

So it really is important when you listen to the Senator from New Mexico argue about an investment in our young people's future. To begin to weigh just how important a balanced budget is, last year the Office of Management and Budget, I believe, proposed that young people in the very near future, at least in their earning lifetime if they were born last year, would have to start investing as much as 80 percent plus of their gross income into all forms of Government just to continue current services as they would be projected from last year into the future 30 to 40 years and into the peak of their earning capacity.

That is talking about the future. If I have to turn to the young people in my family and say you are going to have to pay 65 to 75 to 80 percent of your gross pay to afford all levels of Government, I am awfully afraid they are going to say: ''Dad, I don't want to work that hard. What is the advantage in working hard to get ahead? I can't own a home or at least the kind of home that you and mom used to own. I am not sure I can afford to provide for my children the kind of education that you helped me get, because we cannot afford the Government that you left us.''

So the reason I am on the floor tonight and the reason a lot of Senators have come to the floor the last few days and will through tomorrow and Wednesday is because for the first time in this Senator's legislative life in Congress, I have a chance to vote for a balanced budget amendment. No longer is it just the idea or the concept that since 1982 I have come to the floor to debate, and that is a constitutional amendment requiring a balanced budget, we are doing what the other side, the Democrats for over 5 weeks, challenged us to do: ''Don't put forth an amendment, put forth a balanced budget. Don't talk just rhetoric, do it.''

So the Budget Committee of the U.S. Senate and the Budget Committee in the House are doing it, and they are doing it in a way that absolutely begins to cause the American people to understand that this is not pie in the sky, this is reality. It can be done.

So, Mr. President, for the next few minutes, let me give you the top 10 list of why we ought to have a balanced budget amendment and why Senate Concurrent Resolution 13 is or should be rated as No. 1, if you are listing top 10 lists.

The first reason we ought to have it is the very reason I have been talking about, the very reason the Senator from Utah and New Mexico have talked about. It is our children, it is the future, it is providing them with an unburdened, debt-free opportunity to achieve. And when you strive to do that, you create an economic environment in which our colleges and universities can thrive in the very economy that supports them, and that is usually the State economy, and the local economies can also thrive.

What is the second reason in the top 10 list? It is jobs. It is the fact that DRI McGraw-Hill, one of the leading economic forecasting firms, has projected that a balanced budget will create 2.5 million new jobs by the year 2002. That is exciting to think that if we get our economic house in order that the economy of this country will begin to respond by the generation of an additional 2.5 million jobs. That makes a world of sense.

What is the third reason in the list of 10? It is the seniors, the seniors of our Nation, who I think really recognize what this debate is all about because they were born into a debt-free society. They were taught by their elders to live within their means, and it is awfully frustrating for them today to understand, or to try to understand, why we have a $4.8 trillion debt and why we are having to look at Government and attempt to downsize it and change it and shift the priorities today.

And when we debate Social Security on the floor, they understand better than anybody else that the debt is the threat to Social Security, not the U.S. Congress. The reason Medicare is in trouble is the spending rate and the fact that it will be bankrupt, and President Clinton's own advisers said it. Yet, the other side ties their hands and walks away and uses the language of fear. The seniors understand that in this country. They know that the debt is the threat to Social Security, to the future of our young people, to the strength of our colleges and universities, and to Medicare.

What is the fourth good reason? Well, it is lower taxes. It is the stimulation of an economy. It is what makes sense in America, that we do not overburden our society beyond their ability, or their will, or their enthusiasm to produce.

The fifth reason is economic growth. It is not trickle down. It is called leaving money in society to generate an economic base that fuels an economy that creates jobs.

It really means if we do what we say we are trying to do, that we put $1,000 in every wage earner's pocket, that the Federal Government would have reached out and snatched away by 2002, if we pass this resolution and if this Congress becomes committed to a balanced budget amendment.

Reason 6 in that top 10 list is investment. Over $200 billion a year in annual deficits drag the economy down, and we know—and economists are telling us—that if we balance the budget, we are going to see an economy begin to pick up at another 2 or 3 percent annually. That is jobs. That is exciting.

Well, if you really look who is buying the debt, who is really taking advantage of a Government that is in perpetual debt and has to borrow a lot of money, it is an awful lot of overseas interest. We used to hear that argument from the other side. Somehow they are quiet today. They are not interested in the fact that we pay $75 billion or $80 billion interest that flows abroad when that money can stay here and be invested in our society and create jobs for our people.

Of course, what we are doing with this resolution also empowers the U.S. Congress to begin to look at the priorities of what Government really ought to be doing and, most importantly, what Government should not be doing; what State government ought to be doing that the Federal Government now may be doing but that it should not be doing. That is the kind of shifting in priorities that I think is fundamentally important. When we talk about the Domenici dividend and the $170 billion that will be saved and, therefore, create an opportunity through taxation to—reductions to stimulate our economy, that is the kind of empowerment that our Congress is talking about.

The ninth reason is a reasonable and responsible glidepath. Anybody who has served in Congress any length of time who is committed to balancing a Federal budget knows, and knows very clearly, that it cannot be done overnight. It probably should not, under any circumstance, be done overnight. But this Budget Committee, with the direction of this side of the aisle, has built a glidepath to take us to the year 2002 that makes a heck of a lot of sense. And that builds the kind of economic resurgence we need and says to the average worker: You are going to have less Government to pay for. And, in simple terms, that means you are going to have more money to spend on

yourself and your kids. That is what this budget really ought to be all about.

In the end, the 10th and most important reason is the people of our country. Seventy-five to 80 percent of the American people, year after year, for well over a decade, have said: Congress, wake up, balance the budget, get your fiscal house in order. The debt is really the threat to our future and the future of this country, and they, as the average citizens, know it. The common sense of balancing your own checkbook has already said it.

For years, we have labored under the burden that if we just spent a little more in every program, the world would be just a little better. We have put a lot of money into education, and our educational system today does not meet the test and standards that we want it to meet.

Mr. President, those are the top 10 reasons that the Harkin amendment ought to be voted down and that we ought to stay with Senate Concurrent Resolution 13, the reasonable approach toward balancing the Federal budget and forcing this Congress into the kind of spending priorities that it must make and it never before has caused itself to do.

I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BENNETT. How much time remains?

The PRESIDING OFFICER. Eight minutes three seconds.

Mr. BENNETT. As per the previous agreement, I yield 4 minutes to Senator HARKIN and reserve the remainder for myself.

Mr. HARKIN. Thank you. I appreciate the yielding of the time so that we can have a few more minutes to respond and make a couple of points on this side.

First of all, the Senator from Utah is a very thoughtful individual. I wanted to respond about some of the comments he made at the opening of the debate in regard to reviewing on a regular basis and changing education programs. I want to assure the Senator that on a regular basis, our committee, the Education Committee, reviews—as we do in the authorizing process every year—and has hearings, and we do change programs. We are doing that right now with IDEA, Individuals With Disabilities Education Act; we are changing it. Last year, we reauthorized the Elementary and Secondary Education Act, and we made several changes to the title I program. We rewrote the formula. It was quite a fight around here, as the Senator probably remembers. That went on for several months. In 1992, we reauthorized the Higher Education Act and again made changes, in responding to the concerns of our constituents. For example, one of the changes we made concerned a lot of farm kids with parents that were land rich but had no cash. They had a farm but did not have any money. We changed that so these kids could be eligible, also, for financial assistance.

Finally, every year the appropriations process also does its part. For the 6 years that I chaired the subcommittee, we eliminated programs every year. Last year, more than a dozen education programs were just eliminated. I wanted to respond to the Senator that we do take our responsibility seriously, and we do have the authorizing process here under which we do, in fact, review these programs and get rid of some in the appropriations process, change them as times and circumstances demand. I feel very strongly that trying to use the budget process to maintain certain changes without having gone through this authorizing process and without looking at the history, I think, is really the wrong approach on this.

Finally, I wanted to respond to the chairman of the Budget Committee, Senator DOMENICI, in talking about some of the figures and how they add up. When you look at the assignment from the new GOP budget, the numbers do not add up. They require a $13.7 billion cut. But when you look at what the Budget Committee proposed in privatizing Sallie Mae, we get no money. Maintaining long-term interest rates for student loans, we pick up about $229 billion. Extending the State default fee to direct loans, we get $702 billion. Eliminating in-school interest subsidy for graduate students, $3.3 billion. There is about $4.257 billion in the instructions of the Budget Committee. Yet we are supposed to cut $13.7 billion. Maybe this is why I am so interested in putting more in education. This math does not add up. I hope the chairman will look at his math. And $13.7 billion does not equal $4.257 billion. So there is a gap here of money that needs to be raised.

I submit, Mr. President, that really the only way we can possibly get it would be through the undergraduate student loan program, which is the only program large enough under which we can get the missing $9 billion.

Finally, the budget chairman claims to hold the Pell at the current level. But if we add inflation and the additional growth of students, that comes out to be a 40 percent reduction in value of the grant by the year 2002.

What is now about a $2,500 a year grant will now be down to about $1,600 by the year 2002.

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

UNANIMOUS-CONSENT AGREEMENT

Mr. BENNETT. Mr. President, I ask unanimous consent that when the Senate considers the conference report accompanying H.R. 1158, the supplemental rescissions bill, that it be considered under the following time agreement: 20 minutes under the control of the chairman and ranking minority member of the Appropriations Committee; 30 minutes under the control of Senator MCCAIN; 10 minutes under the control of Senator FEINGOLD; 15 minutes under the control of Senator WELLSTONE; and that following the conclusion of the debate, the Senate vote, without any intervening action or debate, on adoption of the conference report.

I understand this has been cleared with the minority side.

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

Mr. BENNETT. Mr. President, we have come to the end of this debate. We have heard a great deal about education, a great deal about numbers, whose numbers add and whose numbers do not.

Mr. President, I will not try to repeat or summarize all the rhetoric that has gone down. There is one point that perhaps has not been adequately made that needs to be understood by all Senators before we vote.

If we pass this amendment, the entire $170 billion reserve is lost. The $170 billion reserve exists only if the Senate budget resolution passes as structured. It comes from the scoring of the CBO that says if this amendment passes as structured, the lowering of interest rates and other economic activity that will occur as a beneficial result of this budget will produce an additional $170 billion.

If the budget does not pass and is not enforced as structured, the $170 billion will not be there. So the $40 billion that is taken in additional spending breaks through the one condition that the CBO laid out when they promised the $170 billion—I am informed by the chairman of the committee that if this amendment passes, the $170 billion that we thought would be available to the Finance Committee for consideration for other purposes will, in fact, not be there. And the whole $170 billion will disappear.

If for no other reason, Mr. President, that alone is reason enough to vote down the Harkin amendment.

We must recognize the work that the Budget Committee has done and how carefully they have structured all of their numbers, how carefully it has been examined by the CBO, and on what thin ground the $170 billion reserve fund rests. It is not thin ground in the analysis, but it is thin ground in terms of the ease with which the ground could be cut away by amendments that break through the overall limit.

If we, in our wisdom, decide we want to increase the budget by that $40 billion, meaning there will be no balanced budget by the year 2002 because there are no offsets in the Harkin amendment, meaning that we do not reach our target, then what the CBO says the cost will be, will be $170 billion gone in the form of lower interest rates and lower economic activity.

The Budget Committee, as I understand it, did not put that in. It came from the CBO after the analysis. Senators must keep that in mind as we cast this vote. I yield the floor.

VOTE ON AMENDMENT NO. 1116, AS FURTHER MODIFIED

The PRESIDING OFFICER. The question now occurs on amendment numbered 1116, offered by the Senator from Maine [Mr. COHEN].

Mr. DOMENICI. Mr. President, 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.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

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

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

[Rollcall Vote No. 174 Leg.]

YEAS—99

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

NOT VOTING—1

Gramm

So the amendment (No. 1116) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. President, may we have order, please?

Mr. President, the pending Harkin amendment is not germane to the provisions of the budget resolution. Pursuant to section 305(b)(2) of the Budget Act, I raise a point of order against the pending amendment.

MOTION TO WAIVE THE BUDGET ACT

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive section 305 of that act for the purposes of the Harkin amendment.

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.

The PRESIDING OFFICER. The question is on agreeing to the motion from the Senator from Nebraska to waive the Budget Act for the consideration of amendment No. 1117 offered by the Senator from Iowa. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The yeas and nays resulted—yeas 47, nays 51, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—47

Akaka	Feinstein	Levin
Baucus	Ford	Lieberman
Biden	Glenn	Mikulski
Bingaman	Graham	Moseley-Braun
Boxer	Harkin	Moynihan
Breaux	Heflin	Murray
Bryan	Hollings	Nunn
Bumpers	Inouye	Pell
Byrd	Jeffords	Pryor
Campbell	Johnston	Reid
Conrad	Kennedy	Robb
Daschle	Kerrey	Rockefeller
Dodd	Kerry	Sarbanes
Dorgan	Kohl	Simon
Exon	Lautenberg	Wellstone
Feingold	Leahy	

NAYS—51

Abraham	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Grams	Nickles
Bond	Grassley	Packwood
Brown	Gregg	Pressler
Burns	Hatch	Roth
Chafee	Hatfield	Santorum
Coats	Helms	Shelby
Cochran	Hutchison	Simpson
Cohen	Inhofe	Smith
Coverdell	Kassebaum	Snowe
Craig	Kempthorne	Specter
D'Amato	Kyl	Stevens
DeWine	Lott	Thomas
Dole	Lugar	Thompson
Domenici	Mack	Thurmond
Faircloth	McCain	Warner

NOT VOTING—2

Bradley Gramm

The PRESIDING OFFICER. On this vote the ayes are 47, the nays are 51. Three-fifths of the Senators duly chosen and sworn, not having voted in the affirmative, the motion is rejected.

The amendment expands the subject matter contained in the underlying resolution in violation of section 305(B)(2) of the Congressional Budget Act. The point of order is sustained. The amendment falls.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, we have had a lot of inquiries as to what will happen the remainder of this evening. We are still discussing this with the Democratic leader, Senator DASCHLE. Let me indicate what I hope will happen for the remainder of the week.

As I understand, when we complete action today, if we stay 5 more hours, there will be about 15 hours left on the resolution. And then tomorrow, to accommodate the other side for their fundraiser, we can only go to about 6 o'clock, but we can still maybe get 8 hours in by working through the lunch hour—or 10 hours—and start at 8, 8:30. So then that would leave 5 hours remaining on Wednesday. If we start early on Wednesday, we hope to finish this bill by mid-afternoon on Wednesday and, I assume, as in many other cases, there will be a number of votes before final passage.

Amendments will be called up and voted upon. You could have 2 or 3 hours of votes because we want to move to the antiterrorism bill, hopefully, on Wednesday, try to complete action on that Thursday or, if not, on Friday. We indicated to the President we would do that.

It is my hope we can have a bipartisan effort so that we can pass that legislation before the Memorial Day recess, as we indicated to the President we would.

We are not in a position to indicate there will be no more votes, but there will be no more votes at least until 9:15, 9:30, if that is of any help to anyone. Otherwise, we will be here a number of hours and there will be votes. If we are here, we could have votes.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we on our side are entitled to an amendment. Senator ROTH is going to offer an amendment. I designate him to be in control and manager of the time on our side.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 1121

(Purpose: To express the Sense-of-the-Senate that the number of Federal full-time equivalent positions should be further reduced, and for other purposes)

Mr. ROTH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 1121.

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

The PRESIDING OFFICER (Mr. THOMPSON). Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the resolution insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING FURTHER FEDERAL WORKFORCE REDUCTIONS.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include that the reductions in Federal full-time equivalent positions required under section 5(b) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 3101 note) should be further reduced to provide that—

(1) the total number of full-time equivalent positions in all agencies shall not exceed 1,682,300 during fiscal year 2002; and

(2) of the additional reduction of 200,000 full-time equivalent positions provided for

under paragraph (1), no more than 50,000 shall be within the Department of Defense.

Mr. ROTH. Mr. President, my amendment would express the sense of the Senate to reduce the number of Government-wide full-time equivalent [FTE] positions over the next 7 years. It is consistent with the Domenici budget to streamline and eliminate several Government functions and programs.

The amendment provides for a reduction of 200,000 positions by 2002 in addition to the already enacted reduction of 272,900 FTE's by 1999 in the Federal Workforce Restructuring Act of 1994. That legislation included government-wide annual FTE caps on civilian employment as well as provided buyout authority to help agencies downsize in a more humane fashion.

The Domenici budget calls for the elimination of the Department of Commerce, an idea that I have endorsed since the early 1980's. It also calls for the elimination or phase out of nearly 150 Federal programs and functions. My estimates show that with these programmatic changes, over 150,000 positions could be eliminated in non-Defense agencies by fiscal year 2020.

My amendment limits the overall reductions within the Department of Defense to 50,000. Current Clinton administration projections show that 208,000 of the mandated 272,900 FTE reductions will be within the Department of Defense. This amendment will help to achieve the originally intended balance to further downsize the non-Defense related agencies as well. My amendment is consistent with the Roth-Kasich Defense Department acquisition reform bill to reduce the number of acquisition personnel. According to the Congressional Budget Office, this reform bill would produce 42,500 in FTE savings with the Defense Department.

Current FTE reductions to comply with the 1994 Federal Workforce Restructing Act of 272,900 by 1999 are proceeding as planned. Further, OMB has estimated that the total civilian workforce will be approximately 25,000 below the existing FTE cap levels for 1995 and 1996.

Let me take just a few moments to explain the personnel savings that could be achieved within the acquisition workforce at the Defense Department. Despite recent efforts at improvement, DOD programs continue to experience significant cost, schedule and performance problems. A recent Defense Department study found that defense programs are over budget and behind schedule by one-third, on average. The Defense Science Board reported that ''* * * without fundamental reform, DOD will be unable to afford the weapons, equipment and services it needs to provide for our national security.'' After spending billions of dollars this suggests our troops in the future could face an enemy who is better equipped, because of the failure of the current bureaucracy to efficiently procure weapons.

Last month, I introduced the Defense Acquisition Management Reform Act to address this situation. It contains two key elements. First, it busts the bureaucracy. It combines the three separate maintenance and procurement systems—the Army, Navy and Air Force—into one. This is a common-sense solution for incredible duplication and inefficient bureaucracy. In fact, this bill turns 20 levels of bureaucracy into 3, and eliminates hundreds of paperwork requirements.

We are proposing that the Pentagon use the lean, results-oriented approach employed by globally competitive high-technology firms. This will not only highlight results over process, but it will cut the timeline in half! As the result, the bill returns authority to program managers and those who actually use the weapons.

Second, it changes the incentives and rewards that drive the day-to-day actions of the individuals in the buying system. The Defense Acquisition Management Reform Act of 1995 gives managers and contractors the incentives they need to deliver their programs on time and on budget. If they deliver more than 10 percent ahead of time and under budget, they get bonuses. If they deliver more than 10 percent late or over budget, they are penalized. If they are more than 50 percent over budget, the program is cancelled. It is that simple.

These changes are only a few of the many features contained in this bill that will save the American taxpayers some $20 billion each and every year. As a part of these savings, we calculate that this bill will allow a reduction of the defense acquisition work force, currently estimated at 425,000, by at least 10 percent. This is a bill with teeth, different from past reform efforts because of the incentives and penalties that will affect the program managers. Pay for performance and busting the bureaucracy will make all the difference.

The act focuses on eight, key principles: First, expanding the 90 percent cost, schedule and performance goals established for defense acquisition by the Federal Acquisition Streamlining Act of 1994; second, creating a single, lean DOD acquisition command which is more responsive to the war fighters; third, more directly tying the pay of the work force to achievement of program goals; fourth, establishing an accelerated, results-oriented acquisition cycle which is more sensitive to user needs; fifth, speeding up the contracting process; sixth, instituting performance-based contract management which focuses on sharing with defense contractors the gain (or the pain) of meeting (or missing) program performance goals; seventh, requiring improvements in the financial management systems and procedures used to ensure the most effective stewardship of taxpayer dollars; and eighth, increasing the efficiency of acquisition operations through consolidation of military depots and elimination of duplicative defense industry capabilities.

Mr. President, as I said, the purpose of this amendment is to express the sense of the Senate that the number of Federal full-time equivalent positions should be further reduced.

It is a very simple amendment. It provides that it is the sense of the Senate that the assumptions underlying the fundamental totals in this resolution include that the reductions in Federal full-time equivalent positions required under section 5(b) of the Federal Work Force Restructuring Act of 1995 should be further reduced to provide that, first, the total number of full-time equivalent positions in all agencies shall not exceed 1,682,300 during fiscal year 2002; second, of the additional reductions of 200,000 full-time equivalent positions provided for under paragraph 1, no more than 50,000 shall be within the Department of Defense.

Mr. President, I urge the adoption of my amendment. I yield the floor.

Mr. GLENN. Mr. President, I rise to oppose the amendment by my colleague and committee chairman on Governmental Affairs. I do it, although this is a sense of the Senate and is not binding on the Senate. I am afraid that it sets out goals that are not achievable.

Let me go back. The new administration came in. One of the things that they set out to do was to downsize Government. They have been doing a pretty good job of it. They have been getting very little credit for it. They have been doing a pretty good job. First off, they do not go about their task of downsizing Government just by picking a number off the top of their head to set out as a goal for reducing the full-time employees of Government, the FTE's.

What they did was have the Office of Personnel Management actually make estimates, department by department, agency by agency, all over Government, and come up with a total of what they thought was really doable.

Mr. President, they set out to have the Office of Personnel Management do actual estimates, the numbers of full-time employees that the managers, doing the work of Government, thought they could do without. They came up with a total. It came out to 272,900, to be done over a 4-year period.

Now, Mr. President, that was doable. That had a basis in fact, a basis in the estimates that were made by the various departments and agencies.

Now, that was a very studied approach. As a result of that, we had fewer reductions in force where they are mandatory, where they call people in and fire them. That was not necessary.

What we did was we provided for buyout legislation, put some money in the kitty so they could address this problem of getting people to leave Government, not just solely by attrition, because attrition, unfortunately, occurs in the lower GS ratings and fewer in

the higher GS ratings. That is understandable, more turnover at the lower level.

What they did was they asked Members to go ahead and set up buy-out legislation. We did that. I proposed that in committee. We had it patterned after the civil service ratings, on the same basis we had provided for the Pentagon some time before on reduction in force over there, and doing it in a way where we did not have to really just call people in and fire them. We wanted to do as much as we could by attrition but have buy-out legislation to encourage people to get out if we needed to use it. That has worked very, very well. It was one of our better administered plans in Government.

Let me say that along the way we had an additional thing we were trying to achieve with this buy-out legislation. Through the years, great inefficiencies have developed in the Government in our hiring and staffing patterns in that we had about one boss, one supervisor, for every seven employees in the Federal Government, just on an average. Some areas that required higher level GS ratings, as NIH and places like that, would be different, but overall across Government, there was one supervisor for each seven employees.

Now, how does that compare to private industry? Private industry averages 1 to 15 on an average across the country for the average business. Some employee-intensive industries will vary from that ratio, obviously. However, there would be many on the other side that would balance it the other way. The overall ratio for the country is about 1 to 15.

With this buy-out legislation, we provided a way in which different departments and agencies could help correct that imbalance while we are getting people out. We wanted the buy-out legislation targeted at GS 13's, 14's and 15's so we could correct this imbalance. It has been working very, very well.

How far have we come with this goal of 272,900 people? Right now they estimate 108,000 people are actually out, and they are hoping by the end of the year to have the whole 272,900 reduced.

This was done on a very studied basis. It was not done just on picking a number off the top of our heads and saying, well, we will shoot for there and see how many more we can get out.

Nevertheless, whether this is a studied basis or not, it is set as a goal. How on earth would we meet it? We say that defense would be left out of this equation here except not completely left out. We say no more than 50,000 more shall come out of the Department of Defense. What is to protect NIH? What is to protect those areas—the Center for Disease Control in Atlanta? What is to protect the FDA? What is to protect areas of health and safety that we should be protecting, also?

My colleague on the other side of the aisle says, well, commerce is going to be put out of business, perhaps, if the plan goes through and some 150 Federal programs will be out. We do not know that yet for sure. We do not know what ones.

It seems to me that the approach we should be using is to set what we want to define as the functions of Government, not just swinging a machete wildly and say, pick a number, any number, off the top of our heads and say we will set that as a goal to meet as though we could do just as good a job in Government no matter how low we cut the FTE's down.

I think we should be defining the functions of Government first. I do not know that there was any real thought given on how we arrived at that 200,000. I would ask my colleague, Senator ROTH, the Senator from Delaware, how he arrived at that 200,000.

Where did he come up with that? Was it a studied approach such as OPM used on behalf of the administration to be used on behalf of the 272,900? That was not a figure just picked wildly at random, but arrived at by totaling the number of people that agencies and departments said they could probably do without. And we came up to 272,900 that could be cut. That was done on a very, very, studied basis.

I do not know how we arrived at this 200,000. I do not know, in addition, how much it will cost for a buy-out if we are not to just set out wholesale firing people. I know it was said we would try to do this as much by attrition as possible.

Let me say this: Attrition does not work if we are going to correct the imbalance between the supervisors or the bosses in Government and the employees that are the workers across Government. If we were just to take attrition, attrition normally occurs in the lower civil service ranks. It does not occur in the higher ranks. We specifically, in the legislation that was passed before that helped them along to get the administration's reduction of 272,900, we provided money in there, buy-out money, to help attain that goal.

That approach was worked very, very well. If we are to do this further downsizing as my distinguished colleague from Delaware indicates, then it seems to me we would want to continue this correction of the imbalance in the GS ratings as much as we possibly could. We are not providing for that in this sense-of-the-Senate proposal.

My colleague also talks about the procurement legislation, putting defense procurement all into one section. We still have different functions of Government to be performed, whether they are left in the individual services or combined into one section. We will still have to have people that do the design work, the evaluation work on airplanes, ships, tanks, infantry and tactics, and all of the other things.

I do not know whether that will save money or not. I am certainly willing to look at the defense procurement bill in 1995 and see how that works out. What my distinguished colleague from Delaware said a little while ago as far as time limits on this, if it runs 10 percent over dollars or 10 percent over time, that the contract would be canceled, if I understood his proposal correctly, I would say would almost certainly have precluded some of the major advances we have had in military equipment in the past.

When we procure military equipment we are not just procuring Ford and Chevy trucks off the line in Detroit, where you can predict exactly, with great accuracy, when they come off the line, how much they will cost, and when they can be delivered.

We are talking about tanks that, as you go along, may need some change to the original design. We are talking about the development of lasers, where you do not really know the cost, exactly, nor the time, yet you know it is worthwhile to go ahead and develop that particular capability.

On guided missiles, we rarely know exactly when, what date they are going to come into active service on because, as you go along, you find problems. The same thing with aircraft. Yet we do not want to say that every aircraft that we design for the military would have to be such a simplistic design, not getting into state-of-the-art matters, that it could possibly adhere to an absolute 10-percent dollar or 10-percent time limit or have its contract canceled. You are not talking about things that are that neatly developed and that much here and now.

Many of these are programs that need to be developed and I do not know how you would take care of something like that.

I am happy to look at the defense procurement legislation but I think we have to be very, very careful when we set hard and strict rules that say things will be canceled if they are 10 percent over budget or 10 percent over time. Perhaps bonuses can be given for coming in on time or coming in ahead of time. Maybe that would be a different approach and I will be glad to discuss that and work with my colleague from Delaware in looking into that. But I think, to get back to the original proposal here on passing a sense-of-the-Senate resolution that just automatically says:

> The total number of full-time equivalent positions in all agencies shall not exceed 1,682,300 during fiscal year 2002; and, No. 2, of the additional reduction of 200,000 full-time equivalent positions provided for under paragraph (1), no more than 50,000 shall be within the Department of Defense.

That leaves 150,000 other cuts in Government.

I just cannot in good conscience vote for something that maybe some people would interpret to mean cuts in FDA, cuts in NIH, cuts in the Centers for Disease Control; cuts in safety for our people, for health and safety matters for our people. We can say, ''I know it is not likely that would occur.'' But do

we have any guarantee it will not occur? And with other things being proposed, the big cuts being proposed in other areas within this budget resolution, I do not have much faith we would not have to take cuts in NIH and CDC and everywhere else. And I do not want to see that happen. I think that would be a major, major mistake.

So I rise in opposition to this legislation even though it is only a sense of the Senate. I know it is easy, sometimes, to say it is sense of the Senate so it is not really binding so let us not worry about it, let us pass it and we will work it out later on. But I do not look at this as being quite so innocuous, because what we are doing is we are going on record saying the best judgment of the Senate of the United States is that we can, without defining where they would come from, cut another 200,000 people beyond the 272,900 that will already have been cut by this administration by the end of this year.

If we wanted to charge the Office of Personnel Management with going through once again at the end of this 272,900 cut and say OK, let us look at this now, see what the job is of Government, see how many people we need to do it, and can we really safely cut some additional people in Government without hurting the function of Government, whatever it is—NIH or FDA or whatever—then that would make some sense. But to just pick an arbitrary figure and say we will cut 200,000—we could just as well have said cut the work force in half. Cut the work force by 800,000. Cut the work force by half a million. It would have made just as much sense. But the 200,000 to me is a figure I would not want the Senate to go on record as saying that would be the objective, even in a sense-of-the-Senate resolution.

So, Mr. President, for all those reasons I oppose the amendment by my distinguished colleague from Delaware. I will be glad to work with him on some of the defense procurement legislation he is proposing, but just to go out and say we will automatically whack another 200,000 people out without knowing exactly where they are coming from or defining this, agency by agency, or department by department, would be a big mistake.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, has enough not happened over the last few weeks that this abysmal practice of beating up on Federal employees ought to come to an end? ''Oh, it is just a sense-of-the-Senate resolution,'' the sponsor says. Nevertheless, it would represent a judgment of the Senate that we are going to cut the Federal work force another 11 percent over and above, I repeat, over and above the 272,000 reduction in force that has already been programmed; over and above that reduction in force.

At some point I hope people will reach the conclusion that Federal employees have a reasonable role and place in the workings of our system and they ought to be treated with a measure of dignity. Why, once again, are we landing with both feet on the men and women who render dedicated service to the country? They are already taking a very heavy hit in this budget resolution.

In fact, over the period of this budget resolution Federal employees will, in effect, give up $85 billion of pay adjustments that are provided for by law in terms of assuring them comparability with the private sector. Yet here some come, late at night, with this amendment. There is no study that backs these figures. They say, ''We assume the Department of Commerce is going to be done away with.'' Even the people advocating the elimination of the Department of Commerce are not advocating the elimination of all of the programs carried out by the Department of Commerce. When questioned, they in effect say, ''This program is going to go here, this program is going to go there. Yes, this activity should continue.'' So most of those activities have to go on. They are important to the economy of our country.

Now we are going to say to the Federal employees: Over 11 percent of you are going to go by the board, over and above the reduction of 272,000 which has already been programmed and which is well underway. In fact, now well over 100,000 of those positions have been phased out in the course of the reduction that is taking place, and the rest are projected to accrue by the end of the century.

This amendment says to people who have already been through turmoil, who have already had all of the worry and the anxiety connected with these reductions, ''Well, now there are an additional 200,000—well over 10 percent of those of you that are left—who are on your way out.''

What do you think that does for the morale of the work force? What do you think that does for the health of their families? What do you think that does to having a first-rate Federal service? We have a national interest in having a first-rate Federal service. You do not want a second-rate Federal service. But, if you continue in effect to assault people, keep them in this state of agitation and anxiety and fear and apprehension, you are well on your way to bringing about a second-rate service. People have other opportunities. Good people have other opportunities and will leave to take them. Good people will not come in because they do not want to live in this environment. This is not a rational, sensible proposal. It is not a proposal that is grounded on some thorough analysis working up from a real examination of activities. It arbitrarily imposes this upon the work force.'' We have had far too much of that.

For years the Federal employees have been a favorite target. Take it out on the Federal employees. Call them ''bureaucrats'' with a sneer. Deprecate the work that they do. How long is this going to go on?

Are my colleagues finally going to begin to say these are dedicated people, the vast number of them. They render important service. Many are highly trained and highly skilled. They are proud of the work they do. They give a good performance. They carry out very important and essential functions. Yet, many constantly berate them, denigrate their work, treat them not even as second-class but third-class citizens. Now they come along and make these proposals. Proposals that have not been worked out carefully. They propose to go ahead and slap the Federal employees once again, or twice again. After all, they are a favorite target, even though they are making, and have made, extraordinary sacrifices throughout this deficit reduction process.

Literally tens and tens of billions of dollars for the deficit reduction process have come out of the Federal employees. Now the offeror of this amendment comes along and says, despite the downsizing of 272,000 which is now on track to be carried through by the end of the century, let us add another 200,000 to it; over an additional 10 percent of the work force.

At some point enough is enough, and this ought to be the point. We ought to stop this practice of berating the Federal employees and stop now.

Some say, ''Well, it is only a sense-of-the-Senate resolution.'' I simply say to them, that the message that is sent to the Federal employees, and the message sent to the public at large about the Federal employees, is every bit as strong in this sense-of-the-Senate resolution which the Senator from Delaware has introduced as it would be in a piece of binding legislation.

Mr. President, I say to my colleagues, it is time to stop this abysmal practice. These employees have sacrificed a lot. They ought not to be held under this sword of Damocles hanging over them, and be kept in this state of turmoil and apprehension. We ought to have some sensitivity for the situation in which they find themselves, and reject the constant assault that is made upon hard working, dedicated men and women in the Federal service. They deserve to be treated with some measure of dignity. This resolution does not do that. I hope it will be defeated.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I ask if the Senator from Delaware will yield time on the amendment.

Mr. ROTH. I will be happy to yield as much time as the distinguished Senator from Pennsylvania may desire.

Mr. SANTORUM. I thank the Senator from Delaware for the time yielded.

I would like to first just respond to the comments made by the Senator from Maryland. I am the son of two

Federal employees. My parents worked for the Federal Government for their entire careers.

I think the Senator is right. I think Federal employees do get beat up on a lot. A lot of them are doing the best they can in a system that is not working particularly well for them, a Government which was designed under the theory of bureaucracy, a theory created prior to the invention of the typewriter. That is how we wrote our Federal Government.

So to saddle them with a bureaucratic organizational structure in an era where we are debating a telecommunications bill that is going to move us into the next millennium, which was unthinkable as much as 10 years ago, to saddle them with that and to suggest that they can perform their functions is almost asking too much of them.

In addition, to suggest that the number of Federal employees in this information age cannot and should not be reduced, as it is in every private sector employment of any major corporation, is again not to face reality, that in fact structures must change, delivery systems must change, theories that ran our Government from the time of the revolution to now must change, and as a result the Federal compliment of employees must change, as it is in every major corporation in the country of any size.

I would daresay that if the Senator from Maryland suggested we had a 10 percent cut in employment, we cannot afford another 10 percent, I would look to any major company in the country that has not cut their work force by 5, 10, or 20 percent or more. We have to do the same thing here. We have to understand that we have to deliver services more efficiently using technology that is available for us to do it better, cheaper, more efficiently and with less people in many cases.

So I do not think the argument—at least my argument is not to look at these Federal workers as terrible, these do not do a good job. I disagree with that. I think the Federal workers that I know—and I know lots of them—work very hard, are very concerned about their job and want to do the best they can, and in the most of the cases are hamstrung by their own internal operations from doing the job that they wanted to do. But to suggest that now as we move into this information age that we cannot modernize like everybody else and as a result of that modernization be able to downsize the work force I think just flies in the face of what is going on in the entire world around us.

Government should reflect what the country is doing, and what the private sector is doing to be able to streamline and make more efficient.

I would suggest that there is one Federal employee who is not doing a very good job, who does need to be scrutinized more in this debate in particular; that is, the President of the United States.

If there is a Federal employee who is not facing up to the demands of his job and coming forward with solutions to solve problems that face this country, it is, in fact, the President.

We have the President now standing tall and firm against deficit reduction by saying he is going to veto the rescissions bill which is trumpeted to be $16 billion but, as most of us in this Chamber know, as the Federal Government continues to spend money day after day after day, that rescission bill is not worth $16 billion any more. We might be able to get $9 billion in savings. But the President says, ''No, you have got a couple of million dollars or so that I don't like and so we are going to throw the whole thing out.'' Leadership. Leadership.

In trying to solve the problem that is most pressing on the American public's mind and one that is front and center to this U.S. Senate these last 2 weeks when we are debating the budget resolution, where has the President been on the budget resolution? Well, he did present his budget earlier this year that called for $200 billion and $300 billion deficits for as far as the eye can see, which last week was voted down 99 to nothing, 99 to nothing. Hardly leadership, hardly visionary on the part of the President to put forward a budget that simply was a nonstarter on both sides of the aisle unanimously.

So where has he been? Where has the leadership been from the one Federal employee that we demand the most from? Nowhere.

And so I came to the floor last week and I said that I would be here every day between now and the 1st of October when the new fiscal year starts and remind Members of the Senate of the kind of leader we have in the White House when it comes to balancing our budget.

On Saturday, the President did not present a budget that brought this country into balance over the next 7 years. That was the third day that before the Senate was the balanced budget resolution. On Sunday, day four, the President did not present a balanced budget resolution. And today, day five, the President did not present a balanced budget resolution.

It is incredulous to me that the President of the United States, who said during the balanced budget amendment debate, the amendment to the Constitution, that the we did not need a balanced budget amendment to move forward and solve the deficit crisis that faces us; that all we needed was our own resolve, our own resolve. This same President 2 years ago during his budget debate, his first one, in 1993, when he passed a large tax increase and a few spending cuts along the way challenged Republicans and said, ''Where is your plan? Where is your plan? Why don't you come up with something? Show us your specifics?'' He said ''No hot air, show me where.'' Show me where.

The minority leader, Senator DASCHLE, on March 3, 1995, during the balanced budget debate said, ''And for those who say we do not need a constitutional amendment to do the job''—that job being balancing the budget—''I think it is all the more important that we demonstrate that we can, that we are up to the task, that we can meet our responsibilities to make it happen correctly, to make it happen in a way that was foreseen when we passed the law setting up the budget process.''

And what amendments have we seen? Are they amendments that have been brought to the floor by the other side of the aisle the substitutes to show us what their plan is to get to a balanced budget? No. Are they rearranging spending priorities to say we should cut from this area of Government and add to another area of Government in setting priorities? No.

What are they? They are amendments to spend more money, to take the reserve account, which is theoretical on the part of the Congressional Budget Office, that only occurs if we, in fact, have a budget that brings us to balance in 7 years. Then they give us a bonus of $170 billion because they figure lower interest rates, more economic growth, and lower inflation.

So this bonus now, what do they want to do? Do they want to put it toward the deficit? Do they want to give it back to you, the taxpayers, who paid it in the first place? No. We want to spend it right away. We do not want to wait until it accrues in the future. We want to spend it now.

This is responsibility? This is demonstrating that we can, that we have the resolve?

I suspect the American public has a hard time buying all of this—certainly, I have a hard time buying all of this—that the President and his party are serious about making tough decisions; about having ideas and vision as to where to take this country into a future that is a fiscally sound future; about having innovative approaches like the Senator from Delaware, who does not just and has not, as chairman of this committee, just proposed cuts in Federal employment. He proposes a performance-based budget which puts managerial goals for Federal employees to achieve, to give flexibility to managers, to make it more like a private sector employment place, to give the kind of flexibility that many Federal employees ask me, plead for me, to give.

So the Senator from Delaware is not just out here willy-nilly throwing numbers around. He is putting forward responsible proposals that have a vision as to where to take this country in the future. And you will see, and have seen from this side of the aisle, such proposals, and you will see more.

So I commend the Senator from Delaware for his amendment. I wish him success in that amendment.

I hope that I do not have to be here tomorrow. I hope that I do not have to be here with this chart. I hope the President has read the polls, seen the position he has taken is not one that is particularly popular with the American public and, more importantly, is not what is right for this country.

For this system to work, we need a healthy dialog and we need leadership from both sides for us to come up with this compromise and the strategy to move us forward

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President I would like to respond to my colleague from Pennsylvania briefly.

Mr. SARBANES. Would the Senator yield to me for a question?

Mr. GLENN. Yes.

Mr. SARBANES. I wanted to ask the Senator from Pennsylvania, if he is here tomorrow with his chart, will that fellow who puts the numbers up be here with him in order to make this demonstration work? I am just curious. Unfortunately, he left the floor once he got the number up. And I just wanted to know, if you are here tomorrow and you have to put a number up, will that fellow come back so we can catch another glimpse of him, the one who puts the next number up.

Mr. SANTORUM. His wife and kids like to see him, too.

Mr. SARBANES. I am glad to hear there is concern about his wife and kids, because I listened to this diatribe about the President, when we needed to talk about a very serious matter affecting the rank and file of the Federal employees. So I am glad to see there is some sensitivity.

Mr. GLENN. I yield 15 minutes to the Senator from Maryland.

Ms. MIKULSKI. I thank the ranking member for yielding such time.

Mr. President, I rise to oppose the Roth amendment to further reduce the Federal work force beyond the quarter of a million that we have already done under the Clinton reinventing Government framework.

I am concerned that we are engaging in a mass mania of who can rack up the biggest number. Every day there seems to be a bidding war on who can escalate the numbers of Federal employees that need to be laid off in this so-called downsizing of Government.

But make no mistake, every time we raise the number beyond a reasonable and rational level that we can achieve through technological innovation, we are not accomplishing downsizing; we are accomplishing downgrading.

The sense-of-the-Senate resolution essentially says what it is that the Senate wants to do. Well, I believe that we have already been on record to support reinventing Government as laid out by President Bill Clinton and Vice President AL GORE, looking at the best available management practices and technological innovation to reduce, in a rational way, the Federal work force.

What this says to 200,000 more Federal employees is we do not want you to show up; we do not value you; we do not think you are needed; we think your time is up and it is time for you to go.

Well, Mr. President, who is it that we do not want to show up? I want to talk about my own State of Maryland. I have the honor of representing the National Institutes of Health, which are located in the State of Maryland, and there are thousands of Federal employees working there from research scientists to lab technicians to back-up support services to security personnel.

Now who are we saying not to show up at the National Institutes of Health? Are we saying to that Nobel prize candidate who could have a breakthrough in AIDS research, Don't bother to show up, we're downsizing, we're going to technological innovation, we don't need your intellectual competency, we'll do a computer simulation?

What will we say in this decade of the brain research to those scientists working on Alzheimer's research which killed my father—Alzheimer's killed my father—and if we can find a cure for it it would significantly reduce the health care debt in this country. Are we saying to NIH, Don't show up?

But let us not just stay around the State of Maryland. Let us go to the Centers for Disease Control. We now know Ebola virus threatens Zaire and could even possibly threaten the world.

We had a near outbreak in something called The Hot Zone in northern Virginia. If you read the book, you know what the story was. It was Federal employees at Fort Dietrick who were willing to risk their lives—willing to risk their lives—who were willing to go into the hot zone to kill the monkeys that carried this disease.

When you read the newspaper accounts—this is not MIKULSKI memos, this is newspaper accounts—that talk about how skimpy the resources are at CDC and in infectious diseases, they are stretched so thin that they are now afraid an accident could happen at the CDC exactly at the same time when we are asking for their help. The world is asking for their help to come and take care of the Ebola virus.

Let us talk about other threats to the safety and security of the United States. Let us talk about our law enforcement. Who else are we telling not to show up? Shall we say no more FBI agents, do not show up? Are we saying to the Secret Service, Well, you might be in the line of fire in one way, but we're going to put you in the line of fire in another way. We are going to tell them not to show up?

We in Maryland were willing to take a Federal prison. There is a medium-security prison right now in the Allegheny Mountains in the community of Cumberland. We have a Federal prison for medium-security prisoners. Are we telling the prison guards that they are superfluous, we are going to have better locks, better keys, maybe have chain gangs; we do not need you?

Well, I want those prison workers there. I want the bums and thugs off the street. I supported life without parole legislation. I have supported not only prevention programs but tough prison sentences. So are we going to tell the prison workers we do not want you; do not show up?

And then here we are now on the eve of celebrating victory in Europe, the end of World War II, and what do we say to the GI Joe generation? Oh, aren't taking your health care, but we are going to say no to the doctors at VA; we are going to say we are going to shrink the nurses; we are going to say we are going to shrink the lab technicians; we are going to say we do not need them. We are going to replace them with something called technological innovation.

We know we are going to downsize. We have already begun to do it. The President of the United States has not been AWOL on this issue. He has been in the forefront. He has charged the Vice President to do it, and we have absolutely done it.

In Maryland, this downsizing will have devastating impacts on the economy of Maryland but also on the morale of Maryland. Right now, there is a morale crisis among Federal employees. They have essentially been told they are not needed, they are not valued, and now the bums and thugs in the world are even targeting them for violent attacks.

I do not think this is the United States of America. We are from the generation that when Jack Kennedy said ''Ask not what your country can do for you, but what you can do for your country,'' we answered that call. Many of the people in my generation saw public service as a noble calling, a way to serve the United States of America to do good and earn a decent living. Now they feel that they are absolutely under attack.

I can tell you what is going to happen. You will not only downsize Federal employees, but, no smart, self-respecting person will want to come to work for the Federal Government.

And who do you think is going to be in these Federal agencies? Do we not want a Government at all? If we want to do that, well then let us do that. Let us not go through this charade of downsizing, if you are going to have a Government and you believe that there are core functions that Government must perform, not only in national defense, but on domestic security issues and the risks that the United States of America faces—crime on the streets, drug dealing, punks that want to sabotage the United States of America, and we need law enforcement.

We are also plagued by another horseman of the apocalypse called plague and pestilence, and we want to

make sure that we have the medical research and the staff at FDA and the Centers for Disease Control that are going to find the cures for disease and be able to work to contain pestilence around the world. We think that is important.

What are the other threats to the security of the United States of America? It is a crisis of confidence. We should make sure that we have a core set of values that encourage people, along with the values of duty, obligation, loyalty, patriotism.

If we treat our Federal employees this way, how are we going to call it forth? We are going to ask them to be loyal to us when we are not loyal to them, to have a sense of duty about the job they do when we do not have a sense of obligation to them? I think this is a terrible course of action.

There is a logical, rational way to downsizing. I oversee as an appropriator 25 different agencies. We are already taking concrete steps to be able to do it. I was the one that commissioned the study on the National Association of Public Administrators, which is now being used as the framework to downsize HUD. I am not opposed to shrinking the work force, but I am opposed to shirking our duties to our Federal employees.

Mr. President, our Federal employees have served their country, they have devoted themselves to public service, they deserve our gratitude and our support. We are already reducing by 272,000 positions. The Roth amendment is not only going to result in downsizing but, as I said, in downgrading. So I stand here to support those Federal employees and to defend them who defend my health, my safety and my national security.

Mr. President, I hope we defeat the Roth amendment and, most of all, I hope we defeat the attitude that underlies the Roth amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. I yield the distinguished Senator 10 minutes.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I have, of course, been watching the debate for the last few days and there is no question, this is a tough debate. We are getting down to the decisions that are very difficult to make. But I have been watching my colleagues with charts really since this debate started last week. You see everybody's chart, and there are the budget lines that go up and budget lines that go down. But now we are into making those tough decisions and saying, You know, everybody in America is going to disagree with something that we do. In fact, probably every Member of the Senate is going to disagree with something we do in this budget resolution. But, in fact, we have to make the priority choices. We have to go back to the basics and talk about what is the role of Federal Government. what must we do to set those priorities and then with the money that we have left, we have to determine where we have to cut and where we need to spend.

I think that Senator ROTH has done a very responsible thing. He has proposed a sense of the Senate about what we would look for in ways to meet these budget targets that we are going to be voting on for the next few days—200,000 positions by 2002. That is over a 7-year period and is about 11 percent of the work force. Now, if we make the budget cuts that we are talking about making over the next 7 years to get to that magic number in the year 2002, we are going to have to cut. We are going to have to cut the size of Government, and that means that we will have to downsize departments.

I remember when I first got here about 2 years ago, I introduced an amendment to cut the legislative branch budget by 7 percent. Mr. President, you should have heard the debate. People came running on the floor and they said we might have to shut the Library of Congress. We might have to shut the Washington Monument. You know, we always have our priorities and we decide what is important in those priorities. Of course, shutting the Library of Congress would not have been an option. But we heard the sky-is-falling-theories all over the place. I lost on that amendment by about two votes. Do you know what happened? After all the sky is falling and after losing that amendment 2 years ago, guess what? This year, we come in and we have cut our legislative branch budget about 15 percent. Is the sky falling? I do not think so. Are we making do with less? Yes. Are we doing the responsible business of our Government? Yes. And I do not think one person in America has written me a letter saying you cut your legislative branch budget 15 percent and I miss that money. Not one person.

So I think that Senator ROTH is trying to do the responsible thing. He has come in and he has said we are going to have to have an 11 percent cut. Well, if we are going to cut the budget for the next 7 years in the places where we can, if we are going to stop the growth in increases in our budget, of course, we are going to have fewer employees. And I think it is very important that we establish a sense-of-the-Senate resolution so that we can have the parameters we need when we start making these tough decisions.

You know, the people of America have been looking at the debate for the last few weeks in the House, and the last few days on the Senate side, and I think the people of America are really beginning to see the differences between the two parties and the way we come at the problems of Government. And I think the people of America are going to be able to make a decision about what is right. And I think they are seeing all the smoke and that there is a group of Senators that really wants to do what we said we were going to do. I was elected in 1994 and I did promise that I would do everything in my power to have a balanced budget for the future of our country. I am going to do everything in my power to keep that promise. That is something the American people have not had for so long—politicians who make a promise and lo and behold, keep it. They are going to keep their promises this time, and that is new. We have seen politicians from both parties—this is not in any way partisan —come in and they make promises and then the election is held and they go about the business of Government, business as usual, just like it has always been. Not this year. This year is going to be different. We are going to pass a balanced budget resolution. We are going to take the tough steps. And even if we disagree on this part of it or that part of it, I think enough Senators are going to take the responsible step and say my part may not be so important that I would hold up the progress of this Senate for the future of America. That is the parameter we are going to have to put around that final vote.

Is it more important that we get every single thing we want, just the way we want it, or is it more important for us to say in the long-term, the most important vote we will ever take is to start that long march toward a balanced budget for the future of this country.

This is a historic moment; it is a historic debate and we do have the opportunity to do what is right for America.

So I appreciate my colleague, Senator ROTH, and my colleague Senator DOMENICI for working so hard, for so many years to try to make this happen. I appreciate the input that we are having on this floor. But I hope that in the end, when all of us, Democrats and Republicans, have had our say, maybe we have won a few, maybe we are going to lose a few; but when it all comes down to that last vote, the people of America are going to have the ability to judge which politicians are keeping their word and which of us are ready to take that historic step, change the way Washington does business and start balancing that budget.

Mr. President, this resolution is going to be one of those first steps. We will see a lot more over the next few days. But on Wednesday, I hope we will be ready to do the right thing for America.

Thank you. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. How much time remains on this side?

The PRESIDING OFFICER. The Senator has 23 minutes. Senator ROTH has 29 minutes.

Mr. GLENN. Mr. President, I would like to respond very briefly to some of

the remarks made by the Senator from Pennsylvania that did not address directly the proposal of this sense of the Senate resolution by my distinguished colleague from Delaware. He talked about the President of the United States and what he has done. I would like to go back a little and take a few minutes to describe what actually has happened over the past 15 years or so. We came out of the Carter years, and President Carter, during his time in office, I think, did a lot of fine things, foreign policy and so on. One thing that did not occur is a real close control of the economy. We hit a time period where there was 21 percent interest rates and 17 percent inflation rates. I think that contributed a lot to President Reagan being elected when he was. What happened? A lot of people were scared and President Reagan proposed the supply side economics and the budget cuts, and we reduced taxes here by 25 percent over a 3-year period—over a 3-year period, 5 percent the first year, 10 percent each of the next 2 years. This was supposed to stimulate the economy so much that it was going to result in such a new level of business activity and consumer confidence that we were going to see the new business level raised to such a point that there was going to be more than enough revenue to make up what had been left and we were going to move on to a new higher level.

Now, what happened? That did not occur. Most voted for that, but some with the idea after trying to get it down to 15 percent reduction and trying to make several changes, finally voted for it because we had been scared, too, about what had happened before. We voted for it with the idea that we would try to come back and change it if it did not work.

Now, what happened? Over the next 12 years, we saw an additional $3.6 trillion in debt pile up as supply-side economics did not work. Then we came into the time period where Gramm–Rudman-Hollings was placed out here. That did not do the job. Then we came to the election of President Clinton. President Clinton said privately as well as publicly that the first thing we had to do was get control of the economy.

What did he do? He proposed a way of getting control of the economy that he sent the Congress and we farmed it out here on the Democratic side, farmed it out to the committees, with targets to hit, targets to try to meet the efforts to balance the budget that President Clinton proposed.

Now, we passed that reconciliation bill in the summer of 1993. I think we need to look at what happened on that. Now, President Clinton was honest enough that he said I will not promise people a lot of tax cuts back then. No. What he said was we will cut as many programs as we can and we will increase taxes. Much has been made of that since then. We will increase taxes—what, on the top 1.2 percent income people of the country, not the middle-income people, not the poor folks of the country. He is going to increase taxes on the top income people of the country, the top 1.2 percent. That is where half of that budget balancing effort came from.

Now, what happened? After all the dire predictions here on the Senate floor about all the unemployment this would cause if we passed that President Clinton proposal—there would be millions unemployed was one of the statements here on the floor.

What happened? Well, I can say at that time when we passed that budget reconciliation bill, we passed it without one single Republican vote in either the House or the Senate. Not one single vote. Not a one. And it was a moment of high drama here in the Senate when the vote was tied 50–50, and the Vice President broke the tie and cast a winning vote.

What happened? At that time the budget deficit was running right at $300 billion a year. As a result of that reconciliation effort in the summer of 1993, last year the budget deficit was down do $246 billion. This year, it is $192 billion. It is the first time since Harry Truman that the budget deficit has gone down 3 years in a row—the first time since Harry Truman.

I say one-half of it was reduction in programs and one-half was the tax on the top 1.2 percent income people of the country.

Now, that is real leadership. We can have all the derogatory signs put up on the Senate floor that deride the President and make light of the President if we want to. That is what actually occurred for the first time since Harry Truman. Three years in a row, the budget deficit has gone down as a result of President Clinton's policies.

What we should be debating is how we keep that going, how we keep it going down incrementally, rather than some of the schemes that are being proposed. Some of the proposals out of the House here make assumptions on how we can balance the budget now, make assumptions that I cannot go along with.

Medicare. We say we will take $87 million out of Medicare over the next 7 years, meaning we assume that it will not grow at the 9 percent it is growing now, that it goes down to 3 percent to 4 percent in growth.

We are saying that we will assume that doctors and hospitals will not be allowed to make as much as they can. They will be kept below inflation rate, as a matter of fact, and we will limit the fees for doctors and hospitals.

Those assumptions are made. We make assumptions for HMO savings. That is how we get $87 billion proposed. Some of the assumptions, I think, are false. We have to depend on a CPI adjustment downward from where it is now. We have to assume that the average inflation will not go above 2.5 percent. We have to say there will be no inflation increase in administrative costs, and that will save 22 percent in that area. These are assumptions that really are not very realistic when we get into it.

Back to the President's proposal. Now, what happened out of that reconciliation bill we passed in the summer of 1993? Since then, we have had the lowest unemployment in 4 years. In cutting back on the size of the Government, the administration has cut over 300 programs out of Government.

They set a goal of cutting 272,900 people out of civil service by the end of the administration's term. They are well ahead of schedule. They have 108,000 actually cut up to now and think they will be able to meet the whole 272,900 target by the end of this year. When that occurs, there will be the lowest Federal employment overall since John F. Kennedy was President, the lowest Government employment since John F. Kennedy was the President.

Now, along with that, last year we passed a crime bill, a very major bill. I know there will be efforts to override some of it this year. That was a major effort. We passed the GATT legislation, General Agreement on Tariff and Trade. That is a mighty big step forward in recognizing we no longer could be an isolationist nation if we wanted to be in this country, because most of our trade, in fact, about one out of every eight manufacturing jobs in the whole country, and it is certainly true in my State of Ohio, works to make a product that gets exported.

We can no longer be an isolationist America. We have moved into the world. And the GATT agreement, with its readjustments being required, indicate our willingness to move into that international world.

We passed a family leave bill. We passed a Head Start bill in the first 2 years of this administration that helps over 200,000 kids get a fair start in school. We passed the national service bill. We passed a college loan bill that over the period of 5 years will let an additional 20 million young people go to school.

Now, all of these are things that were passed in the first 2 years of this administration in spite of all of the things that are said about this administration on the other side of the aisle.

Do Members know what Time magazine said last October? They printed a chart showing what agenda—announced agenda—had been passed by each of our past Presidents. They pointed out that President Bill Clinton had the best record of getting his agenda through in the first 2 years of Congress of any President since Lyndon Baines Johnson, and before that going clear back to Eisenhower.

Now, I think that is a remarkable record. It is one I am proud to support the President on. When I hear all these derogatory remarks about the President and what is going on and signs up here on the Senate floor that are meant to be derogatory, then I just have to take exception to that.

Now, back to our current sense-of-the-Senate resolution that is up now.

This administration has already cut 108,000 jobs out of the Federal work force, and done it in a responsible manner, done it in a way that helps correct the imbalance between the higher GS ratings and the lower GS ratings, through the buyout legislation that we passed out of the Governmental Affairs Committee.

I know that a sense of the Senate that would just arbitrarily add another 200,000 to it is not binding, but it certainly sets the course. I do not know how we would meet that. I would rather ask OPM do another study, a follow on and see where we can do this, and do it responsibly rather than just setting what I view as a goal that might result in some real harm being done to our Government.

If we want to do the thing that we should do, what we do is define the role we want Government to have in all these different areas or different departments or agencies. If we are eliminating the agency, fine, eliminate it. But rather than just pick an arbitrary figure, we will have OPM study the Government again, each agency, department by department, agency by agency, and decide how many they think can be cut, and do this responsibly and target those departments where we have too big an imbalance yet. That is the way the figure of 272,900 was arrived at. It was not a figure off the top of somebody's head. It was a figure arrived at by study, by canvassing the agencies, by holding their feet to the fire on what they could do or not do. I think that is what we should be doing for the future.

I hate to have to oppose my colleague from Delaware but I do. I think to pass this Sense-of-the-Senate would indicate a wrong direction for us to be taking.

Mr. President, how much time do I have remaining on this side?

The PRESIDING OFFICER (Mr. DEWINE). The Senator has 10 minutes and 50 seconds.

Mr. GLENN. I thank the Chair. I reserve the remainder of my time and yield the floor.

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I just want to talk about some of the things that were just said by my distinguished colleague from Ohio. I would like to talk about the tax increase that he mentioned that was passed without one Republican vote in 1993, because I do think there was a difference of opinion that became very clear when the Democrats passed the largest tax increase in the history of America without one Republican vote. It was described as a tax on the rich, but I do not think Social Security recipients making $34,000 a year or couples making $44,000 a year are rich people. That is middle income. And the taxes were raised on those people.

I do not think that was the way to start the process of getting to a balanced budget. In fact, the President's budget that has been sent to us does not balance the budget. The President gave up on balancing the budget. He left it to us to do it. He left us the responsibility.

In fact the deficits are lower in the last 2 years but the reason the deficits are lower is because we have financed our debt with short-term borrowings. We are in fact in one of the weakest recoveries from a recession that we have ever had. We should be in a booming economy and we are not in a booming economy. We are in a relatively flat economy. It is going up a little. The deficit is coming down a little. But we are going to have to pay the price. We are going to have to pay the price for short-term borrowing to finance that debt. That was a bad decision and we will have to pay for that later. If interest rates go up there is no question that the deficit is going to rise when we have to refinance that debt.

This is all going to become very clear when we have to raise the debt ceiling toward the end of the summer, this year. That is going to be the scary thing. We have $5 trillion in debt in this country. That is not a small amount.

The debate we are having today is for the future of our country. We cannot continue to raise that debt ceiling without taking care of that long-term debt situation. So I think it is very important that we keep our eye on the ball here. We cannot continue to raise taxes to try to bring the deficit down. We cannot do short-term financing on that long-term debt, because the price will go up.

Alan Greenspan, the Chairman of the Federal Reserve Board, told us what would happen if we balanced the budget and if Congress shows it has the will to balance the budget. That is when we will see our economy take off. That is when the investors in our country will know that they are making a good and wise investment for the long term.

We will be able to see our economy take off. We will be able to see the deficit come down, if we take the steps to balance the budget. I just hope my colleagues, like the Senator from Ohio and the Senator from Minnesota, will help us when that final vote is taken. It is going to be tough. Senator ROTH is giving us a tough choice. But we are going to stand up and we are going to do it and I hope it will be a bipartisan effort in the end, because we are going to do it without increasing taxes and that is the distinction between the philosophy of the President, who gave us a budget that is not balanced, and the Republican majority in Congress that is going to give a balanced budget to the people of this country.

Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, I yield the Senator 4 minutes.

The PRESIDING OFFICER. The Senator is yielded 4 minutes.

Mr. WELLSTONE. Mr. President, I do not come on the floor with any well-rehearsed speech. But it does seem to me that, once again, we are not actually debating whether or not there ought to be deficit reduction. We are also not debating whether or not anybody is in favor of the debt that we built up in this country.

As a matter of fact, I could make my own analysis about what happened starting with what was euphemistically called the Economic Recovery Act, passed in 1981, pushed by President Reagan, which eroded the revenue base of this country about $700 billion over 5, 6, 7 years; plus an unprecedented buildup in the Pentagon budget.

I find it interesting that by and large we still have not heard very much discussion about all the subsidies that go for oil companies; all the subsidies that go for tobacco companies; all the subsidies that go for pharmaceutical companies; all the subsidies that go to some of the largest corporations and financial institutions in America. But we have been talking about cuts in nutrition programs and financial aid for higher education. We did not have much time to debate that on the floor this afternoon. And, I think, draconian cuts—draconian cuts in Medicare and Medicaid. I do not have the time and I do not have the data right now to go into those arguments in great detail.

But I will say to my colleagues that when I presented this this morning on policy grounds, I did not hear any rebuttal. So in terms of ''we have to do all of this,'' let us not be so generous with other people's suffering. Let us make sure we do it in a responsible way.

The reason I support my colleague from Ohio is that I consider this to be bashing. I mean, 200,000 additional positions eliminated—by what agency? What job? What position? A description of those positions? Who are we going to do it to? What positions are we eliminating?

It is very easy to just say eliminate 200,000 positions. I would like to know: Where? Where do these men and women work? For what agencies? Is it the National Institutes of Health? Or is it going to be some of the other Federal agencies?

Where are you eliminating these positions?

It seems to me it is not responsible unless the Congress approves in advance exactly what agency, what positions, what descriptions, what men and women, whose positions are you eliminating?

Colleagues stand up on the floor and they say ''Oh, these decisions are so difficult. We have to make difficult decisions.'' Easy if it is not our job. Very easy. We have to make these difficult decisions.

Sometimes I think we get a little bit too generous with the suffering of other people. Before I would vote for such an amendment I would want to know exactly which people we are talking about. Let us just get concrete. What agency? What descriptions? Which Federal employees? Providing what kind of work in this country? For whom? Let us have a discussion of that. I think in the absence of that kind of specificity this is a profoundly mistaken amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Ohio has 67 minutes and 32 seconds remaining, and the Senator from Delaware has 24 minutes and 7 seconds.

Mr. GLENN. I thank the Chair.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I yield such time as I may take.

Mr. President, I was surprised to once again hear the attack on the Reagan years. I recall during the Carter administration when we had double-digit unemployment, double-digit inflation, the misery index, which was based upon unemployment and inflation, was never higher, and unemployment was as high as it has been in recent years. But after the tax cut in the Reagan administration, we enjoyed the longest peacetime growth period in the history of this country.

Mr. FORD. And the largest debt.

Mr. ROTH. I hear someone talk about the largest debt.

But let me point out that Congress, part of Congress, was Democratic, the House of Representatives. And I would say that the problem there was that, yes, the President was trying to build up defense but the other party was trying to build up social spending. Unfortunately, the compromise was by increasing spending everywhere. So both Democrats and Republicans can take a partial credit for the increase in the debt. That was not just the act of the administration.

But what we are talking about today is trying to make Government smaller, Government less obtrusive, and Government more efficient.

There is no question that but what modern technology has made it possible for Government, as well as the private sector, to do more with less.

What we are proposing today in the way of reductions in personnel are not just figures drawn out of the air, but based primarily on the proposals in the Domenici budget. What we are proposing in the way of reduction in employment, first of all, is a 50,000 reduction in FTE savings below the current FTE caps. And the GAO figures show that is a reality.

With the elimination of the Department of Commerce we expect a reduction of 30,000 in FTE, HUD, 20,000, and the Department of Defense, 50,000.

Let me point out that the administration has made significant reductions in the DOD. But basically most of the reductions are in Defense Department, and not in the other civilian agencies. As a matter of fact, defense military functions will be reduced something like 208,000 under 272,000.

What we are proposing in our reduction of 200,000 is that most of these reductions will come from the civilian agencies, limiting the reduction in the Department of Defense to 50,000. Currently, in the acquisition of military systems there is something like 17 to 20 levels of bureaucracy. This bureaucracy does not add value or expedite the acquisition of new weapons. Instead, it takes about twice as long in the military area to go from an idea to fielding a weapon as it does in the private sector to go from an idea to selling a product in the market.

What we are seeking here is a reduction of personnel that is based on those programs and departments that would be reduced or eliminated under the Domenici budget.

Just let me point out that for the fiscal year 1996 the chairman's mark lists something like 150 different programs that are going to be eliminated. And obviously, when you eliminate programs, you do not need the personnel that you otherwise have. So that is where we are proposing these reductions. By doing this, we expect better service to be given the American people.

Let me point out that one of our concerns is that we want to make the Federal Government a desirable place in which to work. And, unfortunately, anyone who has discussed the matter with people in the executive branch will tell you the frustration, the inability to move forward because of the process that has been built up over recent years. And that is what we are trying to eliminate today. Hopefully, by reducing the size of Government, and by changing the personnel policies, the Federal work force will find this a better place in which to work because what we are proposing as changes is that individuals who perform in the executive branch will be rewarded for their accomplishments. They will also be penalized if they do not perform.

My distinguished colleague and friend from Ohio said that we proposed to do away with a military system, if it were 10 percent off the proposed goal. In other words, if the cost of the system was 10 percent higher than schedule, or if the time was 10 percent longer, the system would be canceled. That is not what I have proposed.

To the contrary, what we are proposing is that, in order to get a bonus, an employee would have to perform 10 percent better than the goal set as the acquisition of the weapons system, or, on the other hand, if it is 10 percent more expensive, the schedule is 10 percent behind, then the employee can be penalized. But we would only revoke the system if it were 50 percent off course, and hopefully those opportunities would not present themselves too often.

But again, let me spell out what we are proposing in this amendment. Our amendment expresses the sense of the Senate to reduce the number of Governmentwide, full-time equivalent positions over the next 7 years. And it provides for a reduction of 200,000 positions by 2002 in addition to the already enacted reduction of 272,900 FTE's by 1999 in the 1994 Federal Work Force Restructuring Act.

Not more than 50,000 of the reductions may be within the Department of Defense. As I have already indicated, of the reductions that have already been made by this administration, the vast majority have already been in the Defense Department. And our program is consistent with the Domenici budget to streamline and eliminate several Government functions and programs.

It is also consistent with the Roth–Kasich Defense Department acquisition reform bill to reduce the number of acquisition personnel. This reform bill would produce savings of 42,000 in FTE's with Department of Defense. Current FTE reductions to comply with the 1994 Federal Work Force Reduction Act of 272,900 are proceeding as planned.

And it has been further estimated by OMB that the total civilian work force will be approximately 25,000 below the existing FTE cap for 1995 and 1996. Current projections show that 208,000 of the mandated 272,000 FTE reductions will be within the Department of Defense, and this amendment will help to achieve the originally intended balance to further downsize the non-defense-related agencies as well.

So in conclusion, just let me point out, Mr. President, that what we are proposing is based upon the DOMENICI budget. We are eliminating 150 different programs and activities. We are going to be reducing the size of departments, if not the department itself, and the number of positions that we are eliminating reflect those changes.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. How much time is remaining, Mr. President?

The PRESIDING OFFICER. The Senator from Ohio has 6 minutes 27 seconds, the Senator from Delaware has 12 minutes 7 seconds.

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from South Dakota.

Mr. PRESSLER. Mr. President, I rise in support of the DOMENICI budget. As I have said on the Senate floor before, I strongly believe that this represents a solid blueprint that finally will lead this government to a balanced budget.

It has been a very strange sequence of events here in the Senate when we

saw the entire Senate reject the President's budget. I would certainly welcome a debate on the President's budget, but the members of his own party voted his budget down. Thus, the only budget that is before us is the DOMENICI budget.

Overall, this budget is a solid, responsible plan, and takes an across-the-board approach to achieve balance. Without this kind of bold plan, we will be facing bankruptcy, both in terms of the Federal deficit and in terms of Medicare. The liberals may be criticizing this budget, but where is their budget?

Insofar as agriculture is concerned, I think many of us have said that we will take an across-the-board approach, and I think this budget does that. There will be efforts, and perhaps I will join them, to make some minor changes in the Domenici budget, but overall it represents a path or a guidepost to a balanced budget.

Mr. President, recently our dollar has been doing very poorly. We have an unstable dollar. It is because of our huge Federal deficit. We have reports that Medicare will go bankrupt by the year 2002. I would rather give senior citizens a stable, sound dollar and a secure Medicare than to continue going on year after year without taking some action. It is time that we take sound action in this Chamber, and this represents that opportunity.

So, Mr. President, I commend Senator DOMENICI and the Budget Committee for their leadership and its hard work. I know there may be some changes in that document this week. But I would say to the liberals who are criticizing it to bring forward a complete budget of their own. Indeed, the Democrats on the other side of the aisle voted down the President's budget entirely. Where is their plan?

The Senate Republicans have a plan. It is a solid plan for the American people. I believe that we are on the right path.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. Who yields time? If no one yields time, it will be deducted equally from each side.

Mr. ROTH. Mr. President, I yield such time as I have remaining to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, it has been an interesting experience today to listen to the debate about balancing the budget. It is a little bit surprising, as a matter of fact, I suppose, that there is a great deal of debate about balancing the budget. It is legitimate to have differences of view as to exactly how that is done, but the fact is that we have to do something to be fiscally and financially responsible.

I am encouraged, frankly, by the chance to do something. For the first time in three decades we have a chance to balance the budget. And I suppose, when we think about that, my goodness, that is irresponsible. How can that be? But it is a fact. We have gone all this time with no balanced budget.

So I am encouraged by the opportunity. I am encouraged by the fact that voters said to us clearly a few months ago that Government is too big and it costs too much and it is time you do something about that. And I think a measure of good Government is the responsiveness we have to doing something about it.

So I am encouraged by the fact that we have this opportunity. I know there are differences. There are some here who really believe that balancing the budget is not important, that it is just a matter of dollars, it does not really matter.

Let me suggest to you that I think it is terribly important for some very concrete reasons, such as the fact that it takes money out of the economy to finance this deficit, maybe more to the point that the interest on the debt will soon be the largest single line item in the budget, larger than the total budget was just a couple of decades ago. It is important.

There are those that believe that more spending through the Government is a better way to do it; that, in fact, Government spends money better than you and I do in our families. That is a legitimate view, I suppose.

There are those who think we are better off with more Government and more spending. I do not happen to agree with that, nor do most of us on this side agree with that. We believe that we have to balance the budget, that it is the responsible thing to do, and we have an opportunity to do it.

I hear everybody who stands up starts out by saying, ''We have to balance the budget. I know we are going to balance the budget, I want to balance the budget,'' and then goes on to point out the reasons why it cannot be done.

We heard the same thing about the balanced budget amendment. ''Well, I wanted to balance the budget but we do not need to do this, we can do it by just making the hard decisions.'' Well, now is the time to make some hard decisions. What we have is each time we come up with another amendment, we hear arguments that you cannot do it. It is time to make the tough decisions.

I suspect this is the kind of conversation that has gone on for decades here, and that is why we have not done it, and that has been the history of what we have to do. We clearly have to do something about Medicare. It is not an option unless you simply do not want to have a program to provide health care for the elderly. Do nothing, as is the proposal from that side, and the program goes into reserves in 2 years, goes broke in 7 years, no question about that.

Or, in fact, we can take the approach that has been taken and say, ''Let's raise taxes.'' In order to balance the budget without doing something about spending, we would have to raise taxes by $950 billion in 7 years. How is that as an option? I do not think many people would choose it. And yet we cannot seem to say, ''Yes, we can make cuts, not draconian cuts but to reduce the spending from 5 percent a year to 3.'' That is hardly asking too much, and voters are asking that of us.

So, Mr. President, it is interesting as we go forward that we always hear, ''Well, we have to balance the budget, I want to balance the budget, but we cannot do that to balance the budget, we can't do this to balance the budget.'' What can we do to balance the budget? There is no plan on that side. The President has no plan.

So despite that, Mr. President, I am very optimistic that we will for the first time in my legislative experience, for the first time I guess in my political experience, have a genuine, legitimate, bona fide effort to balance the budget to cause the Government to be a little smaller, a little less expensive.

Give us the opportunity to choose some options, to look at programs and make sure that they are efficient and effective and, in fact, that they are legitimate, that they need to be done, and we can do that. We can do that. No one argues with that concept. Unfortunately, it does not happen. We find a million excuses why we cannot do that, why we cannot cut it here, why we cannot slow growth. Why we really should not take a look at why the program cannot be changed, to be more efficient, the delivery of programs cannot be done more efficiently.

I do go away from the last 3 or 4 days of this debate, again optimistic that we will do something that has not been done for a very long time, and that is lay before the American people a plan to balance the budget in 7 years, and we can do it.

The committee has laid out a plan. Of course, it is not perfect. Does it take some pain? Of course it takes some pain. It always takes some pain to recoup when you find yourself in this kind of a financial problem—$5 trillion in debt, taxes at the rate of about $21,000 per household, to pay the interest on the debt costs $5,000 for each household each year.

That is where we are, Mr. President. So we do not really have a choice as to whether we do something. The fact is we need to do it. We have to do it. We can have legitimate debate about options but not a legitimate debate about just saying, ''No, no, can't do it,'' and that is what we hear.

Mr. President, I thank you for the time. I yield the floor.

Mr. SARBANES. Will the Senator yield me 2 minutes?

Mr. GLENN. I yield 2 minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, because there have been general statements about the budget tonight in addition to the statement about the

amendment that is pending before us, I just want to underscore this point. The budget resolution that is before us takes $175 billion, which the CBO has put out there as a pot to be available at the end, and commits it for tax cuts.

Now the amendments that have been offered today on Medicare and on education have said rather than committing that money to tax cuts, you should make a less draconian cut in Medicare and education. You should not come down with such heavy force on our senior citizens or on our young people seeking an education, and that, as a matter of national priorities, we should place ahead of a tax cut, which in the House-passed legislation is overwhelmingly committed to the very wealthy, the people at the very top of the income scale, overwhelmingly so committed.

These amendments, in effect, are saying that instead of a tax cut that has that impact, we should make less draconian cuts in Medicare and in education. As a matter of national priorities, educating the next generation and preparing them for the 21st century and assuring that our young people's capacities are developed to the fullest extent possible should put that ahead of taking this pot of money and committing it to tax cuts.

The PRESIDING OFFICER. The Senator's 2 minutes has expired.

Mr. GLENN. I yield him another 2 minutes.

Mr. SARBANES. So there is a very important question of priorities that is at issue here, and the same is true with respect to each of the measures being taken in order to bring about this drastic reduction.

It is one thing to deal with a matter in a reasonable way, it is another thing to deal with it in an extreme way. I submit that much of what is in the budget resolution is extreme, and it is particularly extreme when it is seen that the purpose of it is to create this pot of money to be committed to tax cuts which, as I said, in the House-passed bill overwhelmingly committed to the people at the upper end of the income scale. In order to achieve this, our senior citizens receiving Medicare are being subjected to incredible cuts, and our young people seeking an education are going to find that their opportunities are being frustrated and may be perhaps even denied to them.

So that is an issue that is put and it is put very clearly by the resolution that is before us and by the amendments which have been proposed to the resolution. I have supported those amendments because I think they represent a better balance in terms of what our national priorities are.

The PRESIDING OFFICER. The time yielded to the Senator has now expired.

Mr. SARBANES. I thank the Chair.

The PRESIDING OFFICER. The Senator from Ohio has 51 seconds and the Senator from Delaware 43 seconds.

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

Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Delaware has 33 seconds. The Senator from Ohio has 41 seconds.

Mr. GLENN. I yield the remainder of my time.

Mr. DOLE. I yield back the remainder of our time.

Mr. GLENN. 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.

Mr. DOLE. Mr. President, I am waiting for the distinguished Democratic leader. Let me indicate while he is on his way to the floor that I want very much to accommodate the Democrats tomorrow evening. But we will complete at least 10 hours on the resolution tomorrow. We are going to have two or three votes. We tried to get credit for that. We cannot get that. So I just suggest that we will have to stay here beyond 6:30, probably, to get the 10 hours—maybe 7 o'clock. We will try to accommodate our colleagues in every way possible.

As I understand, we will be working through the policy lunch period tomorrow, and so if there are no amendments, I assume there will be a quorum call so the clock will run against the resolution.

Mr. President, in an effort to complete action on this resolution by early Wednesday afternoon, I yield back 3 hours and 51 minutes of the majority side time for debate.

The PRESIDING OFFICER. The majority leader has that right.

Mr. DOLE. Mr. President, as I understand it, if I can inquire of the chair, does this not mean there are 14 hours for total debate remaining?

The PRESIDING OFFICER. The Senator is correct.

Mr. LAUTENBERG. Mr. President, I rise in strong support of the pending amendment.

This amendment again poses the central question in this budget debate: Whose side are you on?

In this case, the issue is whether the Senate will side with ordinary, middle-class families who are trying to ensure a decent education for their kids. Or whether we will again side with the wealthy, by preserving the slush fund that will be used to provide them with lavish tax breaks.

I have heard Senators from the other side of the aisle say that this budget is for our children and grandchildren. They say it is for their future.

Yet if Republicans really are concerned about our children, why are they proposing the biggest cut in education in the history of the United States? Let me repeat: This budget contains the largest cut in education in the history of this country.

Is that their idea of helping our children?

This budget resolution cuts education for young people from preschool to graduate school. These cuts will affect all students. From 3 year olds who are learning fingerpainting, to graduate students studying business administration. No young person will be spared.

The Republican budget cuts the Federal investment in education by 33 percent by the year 2002. This figure comes from CBO, not from the Democrats on the Budget Committee.

Mr. President, let me tell you the impact that this will have on our young people. Let us go chronologically.

First, let us start with the preschoolers. The discretionary cuts in this budget mean that 350,000 to 550,000 preschoolers will not be able to get into a Head Start Program.

Second, let us take a look at what will happen to those children from kindergarten through 12th grade. The Republican budget will: Cut funds for math and reading for 2 million children. It will cut $1 billion for the Safe and Drug Free Schools Programs. It will cut $5 billion for special education for almost 6 million children with disabilities. It will cut assistance for school to work programs that help students who don't go to college to acquire skills and obtain meaningful employment.

Regrettably, the education cuts do not end at the 12th grade. These cuts will also hurt those young people who want to get a college education.

The Republican budget also makes deep cuts in the student loan programs and Pell grants. These programs help young people attend the college of their choice. They help them obtain skills to get a foothold in our economy. They help them live out the American dream, just like the GI bill did for me and other Members of this body.

The student loan program is not a welfare program for poor children. It is for all low and middle income Americans. In fact, 50 percent of all college students receive Federal financial assistance.

Middle class families need this assistance because college tuition has gone through the roof. Tuition, room and board at a private college now costs approximately $25,000 per year. If you think I am kidding, let me give you some examples of these costs. These include tuition, room and board: Brown University—$26,000; Dartmouth College—$24,000; Georgetown—$24,500; Harvard—$25,000; Yale—$25,000.

Mr. President, if you think you can avoid paying such costs by sending your child to a quality State university—think again. Tuition, room and board for non-residents at many State schools also are staggering. Consider two examples: University of Michigan—$16,000; University of California Berkeley—$20,000.

It is very difficult for American families to afford this type of tuition without borrowing money. The proposed Republican deferral of interest will cost these students and their families another $3,000 to $5,000 on top of the thousands of dollars they now spend.

Members of the other side of the aisle have talked a lot about balancing the budget so that the young people of this country will not be burdened by the national debt. Well, if we pass this Republican budget they will be saddled with more debt. They will be punished for trying to get ahead. Punished for getting a college education. This is simply wrong.

I urge the Senate to adopt this amendment. Stop the tax cuts for the rich and restore these harmful cuts in education.

OPPOSING EDUCATION CUTS

Mr. AKAKA. Mr. President, I rise today to support the Democratic response for funding education and to speak in opposition to the education cuts that are assumed in the Republican budget plan. The resolution reported by the Budget Committee calls for $97 billion in education cutbacks over 7 years, a 33-percent reduction from current service levels.

This adverse disregard for our most important long-term asset—the knowledge and skills of our emerging and future workforce—illustrates the failure of the Republican agenda.

It reveals that Republicans are willing to destroy the single most important factor that will determine the success of our Nation's future economic viability—educational opportunity.

My colleagues on the other side of the aisle claim that their package of spending cuts and tax changes is proof that they are serious about eliminating the deficit. I welcome this expression of fiscal responsibility, if it is genuine; I only wish we heard such oratory in the Reagan-Bush years, when supplyside, trickle-down policies created the fiscal debt we find ourselves in today.

But the fact that my colleagues are pondering a massive tax cut for the wealthy at the same time they are proposing massive reductions in social expenditures reveals more about the majority's priorities than their newfound demands for fiscal responsibility.

Even if we accept the claim that their priority is not to benefit the rich but to eliminate the deficit, it is obvious that their strategy is fatally flawed. For the proposed education cuts will profoundly affect our future economic viability and our ability to compete internationally. Reducing investment in education, which is already low, will inevitably limit economic growth and undermine the standard of living of middle-class Americans in the twenty-first century. And it will close the window of opportunity for the economically disadvantaged among us who are pursuing the American dream.

Mr. President, reducing our commitment to an educated, skilled workforce in the name of deficit reduction is short-sighted and terribly misguided. As this country struggles to find its way in a global marketplace dominated by cheap foreign labor and high technology, withdrawing our investment in education is economic suicide.

This budget proves that Republicans are more committed to protecting the interests of the haves than in accommodating the aspirations of the vast majority of Americans who want only to improve the quality of their lives through education.

Mr. President, nowhere does the impact of the proposed cuts in education fall more heavily than on two areas, Head Start and Student Loans.

IMPACT ON HEAD START

The resolution reported by the Budget Committee proposes cutting Head Start by $600 million in 1996 and $3 billion over the next 7 years. This means that as many as 100,000 children would be denied the opportunity to utilize the program and to be appropriately prepared for school.

Mr. President, it has been fashionable of late to criticize many of the Great Society Programs that were established in the 1960's; some of this criticism is justified. But at least one program, Project Head Start, has consistently received praise for its work. Since its inception in 1965, the program has helped 14 million underprivileged children prepare for school. And this year, Head Start will serve approximately 740,000 kids, roughly a third of all poor children aged 3 to 4.

Why is this program so important? Well, statistics demonstrate that children who enter the program score higher than comparable non-Head Start kids in pre-school achievement tests for cognitive abilities; they perform equal to or better than their peers when they enter regular school, and, they experience fewer grade retention and special class placements.

Reports also indicate that Head Start has had a positive impact on children's motivation, self-esteem, socialization, and social maturity. In addition, the studies show that participation in the program resulted in lower absenteeism and better health. Head Start has even had a positive impact on the attitudes of parents toward their children and an improvement in their employment and education status.

But statistics and reports aside, I think that all of us who are parents understand from personal experience why the Head Start concept works. It is simply this: During the preschool years, children undergo an accelerated phase of learning which is never again duplicated.

The rapidity of a child's development is truly amazing. Seemingly, in the blink of an eye, kids are running when they were once crawling, feeding themselves when they were once fed, arguing when they were once crying. They learn to drink milk from a glass rather than a bottle; they begin to use spoons and forks instead of their hands to eat. They learn the alphabet and how to brush their teeth. They learn what a joke is and how to turn on the TV. If they live in a multilingual household, they become fluent in several different languages. They acquire the rudiments of moral and social behavior. In short, well before they enter school, children have acquired the basic motor skills as well as the mental, social, and emotional attributes that they will build on in later years.

However, it is clear that the economic and social circumstances of a child's family have an impact on this crucial, peak learning period. If a child is undernourished, if he does not receive proper health care such as immunization from childhood diseases or treatment for a disability, if he is not exposed to books or proper educational materials, if he lacks parental attention or his mother or father are abusive or otherwise lack parenting skills—all of these factors will probably have an adverse effect on his ability to socialize and acquire appropriate knowledge and skills. And once a child has been handicapped in this way, it will be difficult if not impossible for him to catch up with his peers.

Head Start's comprehensive approach to child development, which involves education, physical and mental healthcare, nutrition, parental involvement, and social services, has proven to be an effective method of breaking the cycle of poverty that has helped millions of disadvantaged children and has given them the opportunity to achieve their full potential, which in turn has had a salutary effect on our economic well-being.

Until this year, Republicans appeared to embrace the goals and philosophy of Head Start, working side by side with Democrats to support the program. Indeed, under President Bush, the program received its single largest funding increase. And only last year, Head Start was reauthorized on a broad bipartisan basis. Yet we are now considering a budget plan that proposes to undermine much of the work of the last 30 years, a plan that balances tax cuts for the wealthy against the future of disadvantaged children, and finds the children wanting.

How is it, Mr. President, that our colleagues on the other side of the aisle can tell us with straight faces that this budget plan is good for the country? How can it be good for America to take away a resource that has the potential to help a hundred thousand poor children grow up to be productive, educated citizens? This is a question that Republicans have yet to answer.

REDUCTIONS IN STUDENT AID

Mr. President, on the other end of the educational spectrum, the budget measure calls for reductions of as much as $20 billion in higher education aid over the next 7 years. Of this amount, $14.5 billion in cuts would be in Student Loan Program cutbacks alone, mostly in the form of eliminating the in-school interest exemption for 4.5 million student who receive Stafford loans. I have been told that this represents the single largest reduction in student financial aid in history.

Again, I believe this is a penny-wise, pound-foolish approach that will save us money in the short term but will cause us grief in the long run. Unlike other education programs which are largely financed by the States, postsecondary student aid programs account for 75 percent of all available student aid, $31.4 billion of a total of $42 billion during fiscal year 1994. Thus, education cuts of the magnitude contemplated by the pending measure would have a disproportionate impact on these programs.

Mr. President, if the in-school interest exemption is eliminated, the individual indebtedness of Stafford loan recipients could rise to more than $3,000 for undergraduates and thousands of dollars more for those who pursue advanced degrees. In fact, it could increase the total cost of college for students and their families by 20 to 50 percent, depending on the amount borrowed and the length of time a student is in school.

According to the National Association of Independent Colleges and Universities, this would mean an additional debt burden of $12 million over 5 years for the 4,900 Stafford loan borrowers in my own State of Hawaii. Here, in the District of Columbia, the debt would increase by $186 million. And, in California, the total 5-year debt incurred by students would rise by more than a billion dollars.

Mr. President, this is an outrage. Student aid now will be less affordable to lower- or middle-income students, especially when one considers the proposed reductions in the constellation of other student aid programs, including campus-based aid and Pell grants.

If this budget is implemented, students of modest means may have to forgo a college education; others who are fortunate enough to achieve their baccalaureates may have to forgo their dreams of pursuing graduate study. And those students who exit college in the future will be saddled with huge debt burdens at the time when they are least likely to be able to afford payments.

All of this means that our future workforce is likely to be less educated, less productive, and less well off. This in turn will reduce the Nation's taxbase, placing further upward pressure on the deficit, exactly the opposite effect from the stated purpose of this budget plan.

CONCLUSION

Mr. President, I have touched on only two areas—Head Start and student loans—that will be impacted by the proposed budget plan. But, as I have indicated, the GOP budget calls for nearly $100 million in total education cuts by the year 2002. This includes cuts in many other important programs, such as GOALS 2000, Title I, Safe and Drug-Free Schools, Special Education, and School-to-Work initiatives.

This wholesale disinvestment in our most important resource, our young people, is not merely shortsighted, it is blind. Blind to the imperatives of the new global marketplace, blind to the effect that cuts in education will have on our ability to prosper in an increasingly complex world, and blind to the effect it will have on our deficit.

But competitiveness, economic viability, and individual opportunity will not be the only victims of the proposed cutbacks in education. Our sense of civil community, of history, of tolerance, the ability to conduct informed, rational discourse—these are also the potential victims of this harsh and ill-conceived budget plan. For education is not just about making enough to feed the kids or to buy a new car or to own a home—it is also about preparing ourselves to carry out the multiple responsibilities of citizenship in the world's oldest and greatest republic.

Mr. President, no sane nation embraces ignorance. Yet, this is what the proposed resolution would have us do. I urge my colleagues to reject this war on knowledge by opposing the cuts in education contained in this measure that threaten our future.

Mr. DODD. Mr. President, I rise in strong support of this amendment by my colleagues, Senators HARKIN and HOLLINGS, to restore funding for education in this budget. This amendment would restore $40 billion to our most critical national investment.

As a percentage of overall spending, our Federal commitment to education programs has fallen significantly over the last two decades. Although recently these numbers have climbed thanks to the leadership of the Clinton administration, this budget resolution would scale back those modest improvements and put overall spending in this vital sector into a tail spin.

GROWING CHALLENGES IN OUR SCHOOLS

Even as our Federal commitment declines, the challenges to our schools have grown. Children walking through our school doors today are quite different from those of two decades ago—fewer and fewer come from two-parent homes, a growing number are poor and many come from communities plagued with violence and crime. Our classrooms are also seeing the first generation of crack babies, and far too many of our children continue to enter school unprepared to learn.

These social changes come on top of wrenching economic transformations. There was a time when blue-collar workers formed the bedrock of the middle class. High-wage jobs for people without years of advanced education were plentiful, and a high school education was a passport to a healthy future. That time is gone.

In less than one generation, the payoff for those with education and skills has risen substantially, and the penalty for those lacking a high school or college education has become more severe. These trends show no sign of abating. 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—they now earn more than 60 percent more. Every year of postsecondary education or training boosts earning power by 6 to 12 percent.

But education does much more for our economy than increase individual earnings. It is also the fuel that drives the engine of productivity. A recent study by the Census Bureau and the University of Pennsylvania commissioned by the Bush administration demonstrated that education demonstrably increases productivity in the workplace. In fact, increases in educational attainment produce twice the gain in workplace efficiency as similar increases in plant and equipment.

Education is clearly the best investment we can make in our economy. Our future strength will be derived from education for all, not tax cuts to the most affluent. That is the alternative we offer in this amendment.

THE BUDGET RESOLUTION

This budget resolution takes a different course: It would abandon our schools and our children. In the name of eliminating the deficit, this budget proposal would create an education deficit far more costly in the long run.

In real terms, the resolution cuts education by an average of 25 percent over 7 years. Because the cuts gets progressively larger in the out years, in 2002, we will have fully a third less money to spend on education than we will spend this year.

HIGHER EDUCATION

For millions of families, higher education has been the road to a better future for their children. Federal aid has been the bridge that extended this road across the high-priced gulf between families and college. This budget resolution would wash out this bridge for millions of American families. It would cut college loans, freeze Pell grants, cut college work study, eliminate other campus-based aid, and broadly increase student debt.

This budget resolution would increase student loan costs by $14 billion over 7 years. Four million needy students a year could lost this in-school interest assistance they currently receive on their student loans, raising their personal debt from 20 to 50 percent. This would mean that a student who completes a master's degree and borrows the maximum of $34,125—not uncommon with annual college costs rising above $25,000 at many schools—would end up paying an extra $13,320 over the life of his or her loan. This is not debt reduction. It is debt shifting.

The budget resolution promises to freeze Pell spending—as if that is protection. Because of the annual increase in eligible programs and losses to inflation, however, even at a freeze Pell grants would lose 40 percent of their purchasing power by 2002. And there are no guarantees that Pell would not be cut further—as we know, appropriators are in no way bound by the Budget Committee chairman's promises.

ELEMENTARY AND SECONDARY EDUCATION

The front lines of our educational system—our public schools—are also under attack. The severe reductions proposed in this budget would have a real impact on whether or not students have such basic educational supports as smaller class sizes, safe and drug-free schools, more teachers for reading and math, access to computers, and other services that make the difference for millions of young students.

The cuts may seem abstract, but the impact will be real—94 percent of school districts in America would lose over $1 billion that they use to keep students safe and drug-free. With the elimination of the school-to-work program and vocational education, 12 million students would see their opportunities to learn job skills curtailed. States and localities could see losses of $5 billion in Federal assistance for the 5.5 million special education students if the chairman's promised freeze does not hold in the Appropriations Committee. Title I for disadvantaged students also is at risk of cuts that would leave 2 million needy children without these services.

HEAD START

Head Start is on the line as well. It too is promised a freeze—although just last year, 98 colleagues joined me in passing legislation that promised full-funding for this model Federal program. Does that promise mean anything now? Let's assume that this year's promise of a freeze in Head Start will hold—even though it isn't binding on appropriators. Even at a freeze, 350,000 fewer children would receive Head Start by the year 2002. And if the promised freeze doesn't hold, over half a million children would be out of this program.

Our amendment today offers us the chance to make a different choice in addressing the education deficit as well as our Federal deficit. Our amendment does not increase the fiscal deficit; it does not challenge the goal of a balanced budget by 2002. It simply puts our investment in education before tax cuts for the well off.

It ensures that our children enjoy the benefit of a balanced budget without diminishing their educational opportunities for diminishing the very foundation of our economy—education itself.

THE ANXIOUS MIDDLE CLASS

This is not an academic debate: It is central to the future of this country. In the past two decades, our economy and our work force have experienced tremendous economic and structural changes. Growing international economic competition and rapid advances in technology have created a widening gulf between those at each end of the income scale. Income inequality is accelerating, and it is doing so faster in the United States than anywhere else in the world.

In 1976, 1 percent of the population owned 19 percent of America's wealth. Today, 1 percent of the population owns 40 percent of our Nation's wealth. In Britain, in contrast, the wealthiest 1 percent owns 18 percent of its country's wealth. Between 1979 and 1993, incomes of the least affluent three-fifths of the Nation's families dropped by 3 to 17 percent.

There are no easy answers to these problems, but I know that slashing funding for education is not one of them. We must come together as a nation to invest in our children, not turn our backs on them. I urge my colleagues to support the Harkin-Hollings amendment.

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Mr. BRYAN. Mr. President, I rise today in support of the Harkin-Hollings Democratic Leadership's amendment to restore $40 billion in funding to the Federal student financial assistance program, and education programs, such as Head Start, to be paid for out of proposed tax cuts for the wealthy.

Cutting the student financial assistance program by $14 billion over the next 7 years, and eliminating the in-school interest subsidy for graduate and professional students is truly beyond my understanding.

Over and over again Senators come to this floor and talk about how the most important resource we have in our country is our children. Over and over again Senators lament that our country's children are behind the rest of the industrial world in educational achievement, and that we must focus on educational opportunities to keep this country competitive.

And yet, we are offered a budget resolution that would cut back substantially on student financial assistance. I do not understand.

This Budget proposal would freeze funding of Pell Grants. These are needs-based financial assistance grants. These are the grants that help ensure approximately 4 million low and middle income students have the opportunity to go to college or receive vocational training. We have not yet been able to provide funds for all of the students who qualify for these grants. Still this budget proposal would freeze such grant funding.

What should I say to the low or middle income mother and father with a child who wants to go to college? No Pell Grant for your child. We had to freeze those funds to pay for a tax cut to benefit some of the most affluent in our country—those making up to $200,000. Do we really want to say the need for the affluent to get a tax cut is greater than a low or middle income child's need to go to college? I can hardly believe such a message.

I know firsthand how important educational opportunity is for helping assure employment achievement. I have three grown children, all of whom received bachelor degrees. I am particularly proud each has also gone on to earn graduate degrees in medicine, law and education. Thankfully all three of my children have also been able to find work in their chosen fields.

But not all children qualified to further their education get to do so, simply due to the lack of money. And yet this budget proposal would end the AmeriCorp program. The President's program allows people the option of working in their communities to earn financial credits to go to college or to pay off school loans already incurred. And why would we want to eliminate that option for hardworking and dedicated students to earn their way into college or out of their school debts, so those making $200,000 can receive a tax cut?

And not only does the budget proposal cut and freeze student financial assistance, it would force graduate and professional students to pay interest that accrues on their student loans while they are still in school. Under current law, the Federal Government pays the interest on student loans while the students are in college. During a recent conversation, a Nevada lawyer told me the recent law school graduates he has hired quite commonly carry a law school loan debt of $1,000 per month. This frequently is being paid over a 10-year period. And yet this Budget would require interest accrual while the student is still in school. Students could face increases in their loan debt of 20 percent to 50 percent, depending on how much was borrowed. Why would anyone want to pay for a tax cut for the affluent by requiring young people to go further into debt—while they are still in school—by paying interest on their school loans?

Additionally, this budget proposal would freeze funding for Head Start and special education programs. Like Pell Grants, we have not yet been able to provide funds to cover all of the children eligible for Head Start—those low income children most at educational risk. And once children start school, this budget would freeze the funding for their special education needs. Again—why would we want to pay for a tax cut for the affluent by cutting off funds to the most vulnerable young children in our country who are just starting to begin their education? Who needs the leg up here—the person making $200,000 or the low-income child needing a lunch and a chance to learn their colors and numbers before starting first grade?

I have a long record reaching back to the beginning of my political career in the 1960s of supporting balancing the Federal budget. As a U.S. Senator, I have voted twice for such legislation. There are many cuts I will support, some will be unpopular, some will take a hit on Nevada. But I also have a long record of supporting investing in our children and their education as a top priority for whatever funds we have. We cannot maintain a viable economy

at home, nor be a viable competitor abroad if our children are not educated.

I have, and will continue to support efforts to try to balance the Federal budget by 2002—but through a fair budget proposal. When efforts to balance the budget rely on eliminating educational opportunities for our children, it is a most foolhardy way to accomplish.

I urge my colleagues support the Harkin-Hollings amendment. We must continue to invest in our children to ensure they do not have the door to educational opportunity slammed in their faces.

Mr. ROCKEFELLER. Mr. President, education is fundamental to our country's future. If we are serious about strengthening our country and staying competitive in a fierce global marketplace, America must educate its children and offer continuous education to working adults.

Previously, we might have differed on some details and policies, but a tradition of bipartisanship support for basic education programs was something Americans could count on—from Head Start to Chapter 1 help for elementary schools to student loans for college. Fairly recently, under the leadership of President Bush, along with the National Governors Association that included Arkansas Governor Bill Clinton, that bipartisan commitment to basic education goals was visible and real.

I support those goals and am horrified to see a budget resolution before the Senate that makes basic education programs the victim of major cuts.

For example, how can we meet our goal of having every child enter school ready to learn if Head Start is cut by $3 billion?

How can we ensure that our schools are safe and students steer clear of drugs, if the Safe and Drug-Free Schools program is virtually eliminated by a $1 billion budget cut? I worked hard to establish this program in 1986 with Republicans. Since then, I have visited numerous West Virginia classrooms and watched police officers in the DARE Program, to cite one example, make a real difference with students.

How can we expect students to enter the modern workplace with the skills they need if we cut Federal funding for educational technology? In today's Washington Post, there is an excellent story about children signing up for time to work on computers at the local public library. What will happen if we pave a new information superhighway, but we don't provide an on ramp or instructions for our schools and libraries?

Again, I have visited West Virginia classrooms, libraries and community centers and sat with children as they show me what they can learn on the Internet. Connecting students to technology is vital.

This resolution undercuts our national commitment to lifelong learning by cutting college assistance and increasing student loan interest.

It undercuts the School-to-Work programs, just passed last year with bipartisan support. The School-to-Work initiative was endorsed by both business and labor unions. It is a partnership between the Departments of Education and Labor. It is where we should be investing our energy and efforts. With Secretary Bob Reich, I visited a West Virginia program and watched students get hand-on experience to prepare them for the challenges of work in today's world. But this budget resolution, instead, proposes a cut of $5.3 billion from this relevant, needed program.

I am personally disappointed by the suggestion of eliminating the AmeriCorps program. National service is something that works, and has won the hearts, the minds, the support of Americans everywhere. It is today's symbol and substance that stand for responsibility and values like community. Just this past weekend in West Virginia, I was with AmeriCorps and VISTA workers and former VISTA volunteers at a special 30th reunion event. The people in that room are committed to making a real difference for West Virginia, working in domestic violence shelters and providing primary health care through the Children's Health Van. This is important, meaningful work that kindles the kind of community spirit we need. I know, because it was VISTA that brought me to Emmons, West Virginia years ago. AmeriCorps has that same spirit, and deserves the same support.

Mr. BIDEN. Mr. President, there are many things I do not like about this Republican budget. But, one of the most outrageous parts of this proposal is the increased burden it would put on college students.

Currently, students who take out loans to go to college do not have to pay interest on those loans while they are in school. The Federal Government pays it for them. This is known as the in-school interest subsidy. And, it has been a fundamental part of the student loan program since its inception 30 years ago. Without this protection—if the interest were to accumulate while an individual is in school—the cost would simply be prohibitive for many families.

But, that is just what is about to happen. The Republican budget in the Senate would end the interest subsidy for graduate and professional students. That is bad enough. But the House-passed budget is even worse. it would end the interest subsidy for all students.

This comes at a time when a higher education is increasingly important and at a time when the cost of that education is increasingly expensive. Studies show that a person with a college degree earns about $12,000 more each year than a person with only a high school degree. The unemployment rate for college graduates is 3 percent; for those with a high school diploma, it is 6 percent; and for those who are high school dropouts, the unemployment rate is 12 percent. And, yet, getting to college—opening up that door to economic opportunity—has become harder. During the 1980's, the cost of attending college rose 45 percent, while disposable income rose only 15 percent.

Mr. President, we are not talking about deadbeats. We are not talking about those who default on their loans. We are talking about middle class students from hard-working middle class families. The average annual family income for those students who borrow money to go to college is $35,000. These are middle class students who have to borrow money to get to college, who work hard to get ahead, who are playing by the rules and just want a fair shot. The Republicans are turning their backs on these young people by raising the costs of college loans.

The fact of the matter is this is a tax increase on college students. Already, for too many college students, when they graduate, they are handed not only a diploma but also a big IOU. This Republican budget makes the IOU even bigger. For example, a medical student could see his monthly loan repayment increase by more than $200 per month. A typical graduate student could easily see his or her loan increase by $5000.

Already, few young doctors who have to borrow money to attend medical school can afford to be primary care doctors in underserved rural and urban areas. Already, few young lawyers who have to borrow money to attend law school can afford to be public defenders. Already, it is hard for graduate students to pursue degrees in math and science—something we need desperately in this country for the Twenty-First Century—because, unlike doctors and lawyers, they do not have very many high-paying job alternatives. And, already, there are thousands upon thousands of undergraduate students who want to be policemen and teachers—but cannot because their loan repayment is too high. By removing the in-school interest subsidy, the Republican budget would only make it worse.

Frankly, we should be moving in the opposite direction—making college more affordable. Higher education is clearly an investment in our country's future, and it is without a doubt in the national interest. We should encourage parents to provide a college education to their children by changing the tax laws to make it easier for them. I am cosponsor of a bill to allow Americans who send their kids to college to deduct up to $10,000 of the cost of that education from their taxes. That is a real investment. That is a real tax cut. That is a real benefit to the Nation and to middle class families.

I disagree with some of my Democratic colleagues who argue that we should not cut taxes. We should. But, we should not cut taxes as proposed by the House Republicans—where the cuts overwhelmingly benefit the wealthy.

We need and we can afford—in fact, I would argue that we cannot afford not to provide—a tax cut targeted to middle-class families for the cost of an education.

This budget does not do that. It fails to provide relief for families who pay for their kids to go to college, and it punishes those who must borrow to go to college. The Republican budget, instead of making a college education more affordable, makes a college education less affordable.

Mr. President, from the establishment of the land-grant university system in the late 1800's to the GI bill at the end of World War II to the creation of the Pell Grant and Guaranteed Student Loan programs in the 1960's, the Federal Government has been committed to seeing that young people desiring to go to college would not be turned away because of the cost. It was a national goal to see a college education within reach of every American.

And, no matter who you talk to—black or white, rich or poor—every American family has the same goal: that their children will go to college. It was my dad's dream for his children, and it was my dream for my children. It is the dream of the richest businessperson and the poorest welfare mother. It is the dream of every American parent. We have not always reached the dream. But, we have always tried, and we have never turned our backs. We should not now. But, I am afraid that the Republicans are about to.

Balancing the budget is important, and it is important for our children. But, balancing the budget for future generations will be counterproductive if in the process we slash the programs like education that are an investment in our future.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I ask unanimous consent that the vote occur on or in relation to the Roth amendment immediately following the first rollcall vote occurring during Tuesday's session.

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

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

TRIBUTE TO COACH HOWARD CHAPPELL

Mr. HEFLIN. Mr. President, this year, one of Alabama's most outstanding high school football coaches was inducted into the Alabama High School Sports Hall of Fame. From 1934 until 1942 and again from 1951 to 1960, Howard ''Chap'' Chappell served as the coach of the Deshler High School Tigers, of Tuscumbia, AL, compiling an overall record of 110–52–2. But, Chap did more than just coach. As State Representative Marcel Black once said, ''My favorite stories of Coach Chap are the ones involving his guidance and support to his former players after their careers as high school football players had ended.'' Chap was inducted into the Hall of Fame on March 20, 1995.

After graduating from Sylacauga High School in 1930, Chap accepted a scholarship to the University of Alabama. He was a 3-year letterman on football teams that went 24–4–1 and won the first Southeastern Conference Championship in 1933. He was also a star player on the track team, lettering for 3 years.

Coach Chappell's first tenure as coach began in 1934. As a senior, he made recruiting trips for the coach, encouraging outstanding high school students to go to the University of Alabama. ''Coach Hank Crisp sent me to Sheffield to see about a boy named Jack Machtoff,'' Chap recalled in an interview. ''I found out about a job opening in Tuscumbia. I went to see superintendent R.E. Thompson. He didn't give me the job then * * * but he called later and said I could have the job if I wanted it.'' So, Jack went to play at Alabama and Chap became coach of Deshler High School.

During his career as a coach, he managed to lead 3 undefeated teams. The Tigers were the dominant team in the Tennessee Valley. In 1938, they were described as ''striking with the swiftness of a marauding band of Vikings.'' He left coaching in 1960 to become principal of R.E. Thompson School, a position which he retained until he retired in 1975.

Howard Chappell's many contributions have extended beyond his outstanding coaching. As Dr. James Maples wrote: ''I was never fortunate enough to have played for Coach Chap * * * but his spirit, his tradition, his style and his attitude still to this day blanket the stadium that bears his name * * * What makes Chap great, however, what lifts him to heroic status in the minds of his friends and neighbors, is his presence in our everyday lives. That presence goes well beyond the confines of sports. There are young people who think Howard Chappell absolutely hung the moon, who have no idea he ever coached football at Deshler.''

During the war, Chap oversaw the building of the stadium that was later named after him. In 1975, the city of Tuscumbia honored him with a 2-day celebration of his career and contributions to the community. He has served as president of the Alabama High School Coaches Association and the Tennessee Valley Conference. He is active in the First Methodist Church of Tuscumbia and has been president of the Kiwanis Club and member of the Tuscumbia City Commission.

During his 84 years, Howard Chappell has been one of the few who can rightly be called pillars of the community. I congratulate him on all of his achievements, and I wish him luck in continuing to shoot his age on the golf course.

THE PISCATAWAY CASE

Mr. DOLE. Mr. President, as President Clinton continues his review of Federal affirmative action policies, one of his top priorities should be to take a very close look at the Justice Department's brief in the Piscataway Board of Education case. This case is now pending before the third circuit court of appeals.

In Piscataway, the Justice Department has taken the position that, when an employer is laying off employees, a worker can be fired from her job because of her race. That's right: Our Nation's top law enforcement agency says that it is perfectly legal, as a way to preserve workforce diversity, to tell a person that she can no longer keep her job because she happens to have the wrong skin color.

This position is even too much for the editorial writers at USA Today, normally staunch defenders of affirmative action, who argue in a powerful editorial that the Justice Department's actions in Piscataway are ''a tale of values misplaced.''

Unfortunately, President Clinton has publicly embraced the Justice Department's misguided position. Hopefully, the President will rethink this position before he completes his affirmative action review.

Mr. President, I ask unanimous consent that the USA Today editorial be reprinted in the RECORD.

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

[From USA Today]

FIRING BASED ON RACE NOT REAL AFFIRMATIVE ACTION

Can you legally lose your job because of your race?

The answer seems obvious: No. That's why we have civil rights laws. But for high school teacher Sharon Taxman, the answer was a cavalier yes. And therein lies a tale of values misplaced.

Six years ago, a financially squeezed school board in Piscataway, N.J., laid Taxman off, citing her race, white, as the sole reason. She sued, and the case has been marching toward the Supreme Court ever since. A ruling by the U.S. Court of Appeals, the last interim step, is due any day.

By next year, the case could affect affirmative action policies nationwide and even influence the presidential election.

Taxman's story offers a clear-cut lesson in the rights and wrongs of affirmative action—a story of two teachers linked by fate and separated by race.

It began on the first day of school in 1980 when Taxman and Debra Williams, who is black, went to work as business teachers in Piscataway. Both worked hard and earned high marks for performance. They even won tenure the same day.

Then came 1989. The school board, under financial pressure, needed to downsize, as so many governments and businesses across the nation have in recent years. The business education department was required to cut