United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141 WASHINGTON, TUESDAY, MAY 23, 1995 No. 86

Senate

(Legislative day of Monday, May 15, 1995)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Let us pray:

The earth is the Lord's and all its fullness, the world and those who dwell therein.—Psalm 24:1.

Creator and Sustainer of all, Lord of all life, Sovereign of this Nation, and owner of all that we are and have, we humbly accept Your calling to be stewards of the resources and riches You have so bountifully given our Nation. You have written Your signature in the beauty of our land, blessed us with opportunities, and entrusted us with material prosperity. We ask for only one thing more, Lord: Give us a grateful heart.

In gratitude, we press on in the crucial discussion of the budget today. We will talk in terms of billions and trillions. At times we may be tempted to think that we control the money to be budgeted. Instead, we turn to You for guidance in these fiscal matters so that what is decided will be creative for the people of this Nation, now and for future generations. Lord, help us to listen for truth as intently as we seek to speak our understanding of it. We praise You that we live in a dynamic democracy in which great leaders like these Senators can give this quality and quantity of time to the crucial issues of this budget. God bless them, and through their deliberations and decisions, bless America. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

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

SCHEDULE

Mr. THOMAS. Mr. President, this morning the time for the two leaders has been reserved and the Senate will immediately resume consideration of Senate Concurrent Resolution 13, the concurrent budget resolution.

Rollcall votes are expected throughout the day on or in relation to amendments to the budget. The Senate will not recess during the afternoon today for policy luncheons, but will continue in session debating the budget.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDING OFFICER (Mr. CAMPBELL). The Senate will resume consideration of Senate Concurrent Resolution 13.

The clerk will report the pending business.

The legislative clerk read as follows:

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

The Senate resumed consideration of the concurrent resolution.

Pending:

Roth Amendment No. 1121, to express the sense of the Senate that the number of Federal full-time equivalent positions should be further reduced.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, thank you. I simply say that as we open this very important day, it will be a very long day on the budget resolution. I would simply say that as usual at this particular time we have an inordinate number of amendments that have been suggested from Members on both sides of the aisle.

I simply say that we very likely—if we are going to finish this up tomorrow some time, which we must, given the time constraints that we are under—are going to have to have some give and take today. We will have to begin the process very early today of trying to come to some specific time agreements. With the large number of amendments that we have to offer, we obviously are heading for one of those traditional situations that we do on the budget resolution where a great number of amendments to the bill are going to be offered and we are not going to have time to debate those.

Under the rules, all amendments that are offered can be voted on if a rollcall vote is ordered, which indicates to me very clearly that tomorrow afternoon sometime we are going to have a great number—and I mean a great number, maybe 2 to 3 hours—of successive votes on many amendments that will not have been thoroughly discussed or debated at all in the U.S. Senate.

Therefore, I would hope that we could all conserve time as best we can. Last night, the Senate completed debate on an amendment offered by the Senator from Delaware, on that side of the aisle. Under the usual procedures, the next amendment would be offered from someone on this side of the aisle.

I see Senator BRADLEY is here to offer an appropriate amendment that had been scheduled for some time. Depending on what the acting majority leader would like to do, we are prepared to offer the amendment that had been scheduled to be offered by the Senator from New Jersey, unless there is intervening business.

Mr. THOMAS. Mr. President, I believe the plan is to move forward with the amendment by Senator BRADLEY.

Mr. EXON. Mr. President, I am, therefore, pleased to recognize the Senator from New Jersey.

Would he please indicate to me about how much time he thinks would be necessary?

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

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Mr. BRADLEY. I say to the distinguished Senator from Nebraska I expect that we would need several hours on this amendment. I know there are many people who want to speak, and I will just have to see how many people come to the floor.

Under the rules, we are allowed 2 hours equally divided, an hour on each side. We could start with that and see if there are others who want more time.

Mr. EXON. I thank my friend from New Jersey, and I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey [Mr. BRADLEY] is recognized.

AMENDMENT NO. 1122

(Purpose: To lessen tax increases on working families by using amounts set aside for a tax cut)

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to laying aside the pending amendment?

Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY], for himself, Mr. BREAUX, and Mrs. MURRAY, proposes an amendment numbered 1122.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading 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 $16,900,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that restores the full current law earned income tax credit under section 32 of the Internal Revenue Code of 1986.

''(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, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (d).''.

Mr. BRADLEY. Mr. President, the amendment that I have sent to the desk makes one simple point: Although we need to balance the Federal budget, we should not do it on the backs of America's working and middle-class families.

The budget resolution before the Senate attempts to claim that it will balance the budget without raising taxes. However, buried deep in this budget proposal is a $20 billion tax increase—a $20 billion tax increase—on America's working families.

The amendment that I have introduced on behalf of myself, Senator BREAUX, Senator MURRAY, and others, would correct the numerous problems posed by the current earned income tax proposal in the budget resolution.

The amendment would repeal the worst aspect of the $20 billion tax increase on working families. Specifically, the amendment would repeal the $12.8 billion tax increase on working families with children and the $4.1 billion tax increase on working Americans without children.

At the same time, however, the amendment would ensure that we continue to improve the program's administration to fight against any potential fraud or abuse and to ensure that the benefits of this program go to those for whom it was intended.

Mr. President, since its creation in 1975, the earned income tax credit has been one of the most important sources of support for working and lower-middle-class families. In 1996, the earned income tax credit will provide a tax cut for over 21 million workers and their families.

In my own State of New Jersey, the earned income tax credit provided 372,000 taxpayers with families with an average of over $1,000 in tax relief in 1993, a $1,000 tax cut for over 300,000 New Jersey families.

The EITC helps families move off the welfare roles and into the work force. The incentive only goes to working families. No one on welfare gets this. These are working families. If you do not work, you do not qualify for the tax cut. It is as simple as that.

Social Security taxes and various means-tested programs create disincentives for welfare recipients to work. Without the EITC's offsetting tax reduction, the working poor lose benefits and pay higher taxes for each extra dollar that they earn.

The historic 1993 deficit reduction package expanded the earned income tax credit. Just as a point of reference, in my State about 40,000 people ended up paying higher income taxes because of that deficit reduction package and nearly 400,000 ended up paying less taxes because of the earned income tax credit. So, as a result of that deficit reduction package, nearly 10 times more people in my State got a tax cut than got an income tax increase.

When fully phased in, the credit will be available for families with two or more children, earning up to approximately $28,500. Two children and family, up to $28,500, that is roughly half the median income for a family of four. So what we are saying here is roughly a fourth of all families with two kids will qualify for the earned income tax credit. These are working families.

Because the minimum wage has not kept pace with inflation, without these changes in the EITC many working families have fallen deeper into poverty as a result of higher taxes and lost benefits. The EITC works in a very important way for working families. For every added dollar a lower income working family earns, payroll taxes take 15.3 cents and certain other benefits drop. For example, food stamps drop 24 cents for every additional dollar. The EITC was intended to offset some of these disincentives by providing a tax reduction of 40 cents for every dollar earned by a working family with two children. In other words, that means the EITC can make a big difference in people's lives.

Most eligible families earning between $5,500 and $15,500 will qualify for at least $1,000 in credits. That is another $1,000 in someone's pocket that can go to pay for food, for utility bills, for tuition to parochial school, for health insurance, or for mortgage payments.

Not only does the EITC help families work their way out of poverty, the EITC is good for business. It puts more purchasing power in low-income consumers' pockets and lets them keep more of what they earn. It also increases the effective wage rate paid by employers, providing the neediest Americans with an even greater incentive to go to work. By helping these families we also ease the burden on public services provided by State and local government.

Even President Ronald Reagan recognized the value of the earned income tax credit. At the signing of the 1986 Tax Reform Act he stated that the bill's expanded EITC provisions were a very important thing. Ronald Reagan called the EITC provisions ''the best anti-poverty, the best pro-family, the best job creation measure to come out of Congress.''

In addition to President Reagan, the EITC has received widespread bipartisan support, including that of Presidents Ford, Carter, Bush, and Clinton. However, the current budget proposals would repeal many of the gains realized under this bipartisan group of leaders during almost two decades.

So, what is the impact of this tax increase on working families? In the face of declining real wages and Republican proposals to cut important aid programs, more and more American families are going to face increasingly tough times. These are working families who need every penny of the wages they earn just to make ends meet. We simply should not tax these families into poverty by cutting the earned income tax credit.

The goal of the 1993 expansion of the EITC was to ensure that individuals who work full time do not have to raise their children in poverty. Achieving this goal is just as important today as it was 2 years ago. By the year 2000, roughly 17.8 million taxpayers, 80 percent of the total recipients, would feel a tax increase as a result of the proposals that are embodied in this budget. On average, taxes would be raised for affected working families by over $600 each.

In New Jersey, working families will face a $452 million tax increase. Over the next 7 years that amounts to about $1,500 for the 297,000 recipients of the

earned income tax credit who are working families.

The tax increase on working families with children amounts to $329 million. On an average, that would raise taxes by $1,733 over 7 years on 190,000 New Jersey families with children. So this is a significant tax increase in the middle of a budget proposal that purports to have no tax increase.

Who are the people who receive the earned income tax credit? Let me just give you a snapshot of a couple of people.

Michael Thompson from Newark, NJ, is 32 years old, married, with two daughters. He earns $7.75 per hour working in a warehouse for the Community Food Bank in New Jersey. His wife worked over 5 years for a large health insurance company but was laid off in 1994 and has been unable to find new work. Last year the Thompsons received an earned income credit that they used to pay the rent and to make up back payments on their utility bills.

How about Deborah Hammerstrung from Barnegat, NJ, a clerical supervisor for the Visiting Home Care Service in Ocean County. When Mrs. Hammerstrung and her ex-husband separated 2 years ago, she could not afford to move into an apartment on her own. Instead, she was forced to move back with her mother. By providing her with a small credit against the taxes she has paid, the EITC is helping Ms. Hammerstrung pay the utility hookups for her own apartment.

And last year, Ms. Linda Bailey, of Elizabeth, NJ, received a small earned income tax credit. Ms. Bailey worked as a registration clerk at St. Elizabeth's Hospital and is the mother of two children aged 6 and 14. She used the $1,000 credit she received to help pay her gas and electric bills.

These are only a few examples. I could give you countless other examples in my own State of New Jersey where the earned income tax credit has allowed struggling families to send a child to parochial school, to begin to make a payment on college tuition, to fully pay the utility bills, and on and on. These are struggling working Americans. The earned income tax credit has put a little money in their pockets so they can get by. This is not the time to increase taxes on these working Americans.

Like most other working Americans, the recipients I have described live from paycheck to paycheck. As a credit against taxes they paid, the EITC provides these families with a little breathing room.

They are not using the EITC to pay for fancy meals out or hire high-paid lobbyists. No, they are not using it for that. Instead they use the EITC to help buy clothes for their kids, to pay utility bills, and to put meals on the table.

The higher taxes this budget will impose on them will make it increasingly more difficult for New Jersey families to meet these basic needs and work their way out of poverty. Of course, working families in New Jersey are not the only ones who will suffer as a result of the Republicans' proposed tax hike.

Almost 30 percent of all taxpayers in Mississippi will lose under this budget. There taxes will go up. Twenty percent of the families in Texas will face a larger tax burden as a result of these proposals. And in Oklahoma, almost 215,000 working families will find it harder to make ends meet after the proposed tax increase by the changes in the earned income tax credit.

Recently, I have heard statements that these cuts in the EITC are not really a tax increase because recipients do not have an income tax liability. Critics of the EITC would have us believe that just because someone receives a tax refund that person could not be paying more tax.

Mr. President, if the Federal Government owes you a $1,000 tax refund and we change the Tax Code so you end up getting only a $500 refund, then we have raised your taxes, notwithstanding the fact that you still get something back.

In addition, there are claims that this budget is not increasing taxes because some of the EITC recipients do not owe any income tax. That claim ignores all the other taxes that working families have to pay. When working families receive their paychecks, the stub does not just show how much they pay in income tax withholding. It also shows what was subtracted for Social Security taxes, for Medicare taxes, for State taxes, and others. The EITC is intended to help offset these taxes, as well as Federal income tax.

Let me demonstrate this point by an example. Imagine a young married couple with two children. If this family earned $16,500 per year, they will be just above the poverty level. Although they would not owe any individual income tax, they would incur $2,525 in Social Security taxes. That is what they would have to pay. Under current law, they would qualify for an EITC that offsets practically all of that Social Security tax, $2,532, just enough to offset the Social Security tax liability. But under the proposal that is in this budget the EITC would fall, and their taxes would go up by over $300, a tax increase.

Mr. President, it is important to recognize that the proposal in this budget is a straight tax increase on working families. None of the proposals do anything, beyond what the administration has already suggested, to reduce errors in the program.

The amendment that I offer would implement the compliance provisions, such things as matching Social Security numbers, et cetera—there are many different elements of the compliance provision—and thereby build on our past efforts to eliminate tax fraud and ensure that the EITC goes on only to those most in need.

Further, the Republican attack on the EITC stems from reports of fraud in the program. In a small January 1994 study the IRS found 13 percent of all EITC refunds could be in error. It is important to note that many of these errors result in ordinary mistakes that taxpayers make on all kinds of tax returns. We have already taken a number of significant steps to eliminate fraud and to focus the benefits of the 1993 tax cut on those most in need. We have also made some additional changes in the last year or so to narrow eligibility for the EITC.

In the Uruguay round legislation, for example, we prohibited the EITC from going to undocumented aliens. We deny the tax break. Also, we allow the IRS to use simpler procedures with certain types of questionable returns. We deny it to individuals who have $2,350 in investment income. So the eligibility has been narrowed.

Then there are people who argue about the planned growth of the EITC. They are claiming that the EITC is expanding. To bolster these claims, some critics have carted out graphs and charts—and we will probably see some here today—that show the growth of the EITC since the early 1990's. Of course, these graphs present only a snapshot of the EITC and ignore the fact that the increases in the EITC are a result of a conscious effort by Congress and Presidents Reagan, Bush, and Clinton to expand the program and to provide a modicum of tax relief to America's working families.

Mr. President, if I could, as this chart demonstrates, once these changes are fully phased in, once you make eligibility, up to $28,500 for a family of four, the EITC will grow only at the pace of inflation and population growth, a straight line.

So people on the other side who say this program is out of control because we tried to help lower middle-class families—and when you help lower middle-class families, you provide a bigger tax cut to more people; it is going to increase—they want to raise taxes on these very same people. But once the eligibility is fully phased in, it is a national revenue loss. In fact, beginning in 1996, if you simply took the EITC relative to the rest of the economy, it is on the way down.

So, Mr. President, at the same time that we have listened to the other side's attempts to explain why we need to raise taxes on working families in order to balance the Federal budget, we have not heard a single word about the truly uncontrolled growth in so many other areas of the budget.

Take, for example, one of the provisions in the Tax Code called section 29. Section 29 refers to a little known provision in the code that gives a handful of oil and gas producers billions of dollars' worth of subsidies at the cost of other taxpayers. Between 1989 and 1994, section 29 tax subsidies grew by over 1,000 percent. This uncontrolled growth—uncontrolled 1,000-percent growth in 6 years—dwarfs the planned,

controlled, and short-term growth of the EITC.

So why does the Republican budget raise taxes on millions of American families without touching a single penny in special interest loopholes like section 29, that went up 1,000 percent in 6 years? The answer I think is fairly simple. The supporters of section 29 and a lot of the other special interest corporate loopholes—loopholes that are used by the wealthy—like these subsidies and they spend millions of dollars each year to hire lobbyists to insert their special provisions in the Tax Code.

Mr. President, working families are too busy with their kids, trying to make ends meet, holding down two or three jobs, to have either the money or the time to come down to Washington and lobby for their provision in the Tax Code. As a result, taxes are raised on working families while special-interest loopholes proliferate.

In 1996, spending through the Tax Code will total $380 billion. It is the second fastest increase of the deficit, beyond entitlements, $480 billion, more than double the size of the projected deficit. Between now and 2002, tax expenditures will total more than $4 trillion.

I support, like many Members of the Senate, some of these provisions: Home mortgage interest deductions, property tax deductions, charitable deductions. These are valuable tools. However, for every one of these provisions, there are numerous other loopholes, such as section 29, that simply benefit one industry or a few taxpayers over the large mass of taxpayers.

Mr. President, reducing the budget deficit will require shared sacrifice. However, raising taxes on millions of working Americans while consciously ignoring the billions of dollars that we give away each year through special interest tax loopholes is not my definition of shared sacrifice.

So this amendment is really just about setting priorities, determining how we should share the burden of balancing the budget. There is no serious disagreement between Democrats and Republicans on the need to balance the budget. In fact, this amendment would reduce the deficit by the exact same amount as the original budget proposal. The real question that this amendment raises is how we should balance the budget. 3 Either we can balance the budget by raising taxes on working families, as contemplated in the Republican budget proposal, or we can forgo a small proportion of proposed tax cuts for corporations and the wealthy, as this proposal would do. I believe the choice is clear: Tax cuts for lower-middle-class working Americans and no tax giveaways to corporate and wealthy Americans. That is what this amendment is all about.

The PRESIDING OFFICER. Who yields time? Does the Senator yield back the floor?

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

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

Mr. President, as we go forward with this debate, each day starts in about the same way: We should balance the budget but we should not do it on the backs of—fill in the blank. Every day it is a different one. Do not balance it on the backs—fill in the blank.

For example, let me talk just a minute about the earned income tax credit. Under the Republican proposal, the budget proposal that we are talking about, the EITC is not cut. It is a slowing in the rate of growth. The EITC proposal contained in the budget plan simply reins in the explosion in Federal Government spending in this program. Under the Senate budget plan, the cost of EITC will increase from $28 billion in 1996 to $32 billion in the year 2002. Under the current law, EITC costs would go to $36 billion in 2002, not exactly the flat leveling off the Senator had mentioned a moment ago.

In general, the EITC is one of the fastest growing programs in the Federal Government. The 1994 cost was $21.8 billion, eclipsing the Federal cost of Aid to Families with Dependent Children, AFDC, and the program is fully indexed to inflation.

Unfortunately, errors and fraud are rampant. In 1988, the IRS found that 42 percent of the EITC recipients received too large a credit and 32 percent were not able to show they were entitled to any credit at all. Something does need to be done about it. Given the generosity of the program, it is not surprising the number of recipients has grown from 6 million in 1975 to 18 million today, and that growth continues.

Another way to increase the number of people eligible for the EITC is to raise the qualifying amount. For families with one child, the qualifying amount will rise from in 1995 $24,396 to $30,000; families with two children will rise from $26,000 to $33,000 to qualify in this particular program.

So, Mr. President, certainly it is hard to call this a cut when it goes up at this rate.

The baseline, if we leave it, will increase 48 percent between now and the year 2000, from $20 billion to $30.8 billion. Instead, under the chairman's mark, it grows at 31 percent from $20.8 billion to $27.2 billion.

Also, it is interesting to point out that the chairman's mark accepts the proposal of President Clinton's to deny EITC to undocumented workers and targets EITC to working poor with children.

Mr. President, we will go forward again today with our budget proposal, and we will cite, as we have in the past, the difference of philosophy in terms of approaching this business of cutting spending. And that is legitimate, to have a different view. It is appropriate to have a different view. The Republicans want to transform Government to make it more efficient, more responsible, less expensive. On the other hand, the other side of the aisle supports the status quo: No plan to balance the budget, no options to save Medicare, no welfare reform proposal.

So, Mr. President, we will see a difference of opinion, and that is good. That gives us a choice, whether we want more Government and more spending or whether we want less Government and less spending.

We should take a look, I suppose, at the track record as to how we got here, raising taxes and expanding Federal Government. In 1993, of course, we had the largest tax increase in history, $259 billion. President Clinton talks about only raising taxes on the rich.

Let me tell you that gas taxes increased in my State of Wyoming, where we have more miles to drive than any other State other than Alaska, it was not a tax increase on the rich, it was a tax increase on those least able to pay for it. The increase in Social Security taxes was another change that hurt more than just the rich.

The PRESIDING OFFICER. The Senator's 5 minutes he yielded himself have expired.

Mr. THOMAS. Mr. President, if my time has expired, I will yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. I yield 7 minutes to the distinguished Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is yielded 7 minutes.

Mrs. MURRAY. I thank the Chair. And I thank my colleagues, the Senator from New Jersey [Mr. BRADLEY], and the Senator from Louisiana [Mr. BREAUX], and many other Senators who are submitting this amendment to help correct one of the troubling aspects of the budget resolution before us, the tax increases on working American families.

By cutting the earned income tax credit, by taking away a tax break for working families, this resolution will raise taxes an average of $270 for low-income families next year. That is wrong.

Mr. President, frankly, I am amazed by this Republican proposal. The EITC has always received bipartisan support because it is a commonsense tax credit. It rewards work. It provides a real incentive, and it gives people the means to move from the welfare rolls to the work force.

In 1986, Ronald Reagan praised the earned income tax credit. As you know, I was not here in 1986. I was at home serving on my local school board in the State of Washington, but I remember watching the debate surrounding the Tax Reform Act of 1986. We might forget sometimes under all these television lights that the actions we take and the words we say matter a great

deal to average Americans across this country. I cannot forget that because I remember when Congress approved the tax reform package that included an expansion of the EITC, and I remember President Reagan signing that bill into law, saying the EITC is the best anti-poverty, the best pro-family, the best job-creation measure to come out of Congress. These were important words then, and they are important words today.

Mr. President, many hard-working American families are just trying to make ends meet, send their kids to school and provide some hope for the future.

Average Americans are worried about their jobs. They are anxious about the cost of education. And, there is genuine concern out there about the costs of health care. So, how does this budget respond to these legitimate and real concerns? It creates more fear and more insecurity. It takes away hope. And taking away this tax credit adds insult to injury.

Mr. President, the EITC keeps people off welfare. It offsets other forms of Federal assistance. It gives American parents the security they need to enter the work force. It is astounding that the other side has chosen this time to cut the EITC. Cuts to Medicaid; cuts to education; taxes on working Americans who can least afford them.

In my home State of Washington, more than 224,000 families earned the tax credit in 1993. This budget resolution will raise taxes on those families in my State by $1,468 over the next 7 years.

Maybe this increase is not a big deal to some of our colleagues here in the Senate, Mr. President. But, believe me, these are real increases to average Americans. I know what it is like to drive to work every day, worrying about doctors' bills and school clothes. I know how it feels to be squeezed between caring for elderly parents and young kids. Maybe that is why I understand how nasty this cut is.

Mr. President, recently, there has been a lot of talk about tax cuts on Capitol Hill. The House of Representatives has already passed a tax plan that cuts taxes on capital gains and expands IRA deductions, and I expect we will hear a debate on a tax cut this week in the Senate.

A tax cut is a great idea as long as we pay for it in a sensible way, but a tax cut is a terrible idea if we pay for it by raising taxes on low-income Americans, or by raising the Medicare payments of our Nation's elderly.

Mr. President, we cannot balance the budget on our working poor, our elderly or our children. And, we cannot justify cutting taxes for the wealthy while increasing taxes on our poor.

Mr. President, I have said it many times in the past 2 weeks and I will say it again now, this budget has no conscience. This budget hurts the little guy—those who need help, those who are struggling to make a living and provide for their children, and, it rewards the rich. This budget gives Goliath an advantage.

Let us put things back in perspective. Let us help those who really need our help. Let us not go back to the days of the Industrial Revolution; Back to survival of the fittest. Mr. President, I urge my colleagues to support this amendment. It tells working families that we are fighting in their corner. It says we are against increasing their taxes and we for ensuring their financial security. I urge all our colleagues to support this amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. Mr. President, does the other side wish to make their case? We are anxious to hear their defense of this tax increase. Would the other side at any point like to argue the tax increase?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield time?

Mr. THOMAS. Yes, I yield 5 minutes to the Senator.

Mr. NICKLES. Just in response to the Senator, I will make a few comments in just a couple of moments.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. Mr. President, I yield 8 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio [Mr. GLENN] is recognized for 8 minutes.

Mr. GLENN. Mr. President, I rise in support of the amendment by my colleague from New Jersey. I think it is an extremely important amendment.

You know, if we were to assign music to some of our proposals here on the Senate floor, I think a good theme song for this particular amendment would be ''Bridge Over Troubled Waters,'' because what this amendment does is to say that those who are in trouble economically, those lowest on our economic scale get a helping hand. It is a bridge over troubled waters for those people on welfare into productive jobs in a productive society.

And for people who are paying taxes, too. That is who it is for. It is not just for people who are on welfare. They do not get this. It is for the people who are trying to get up the ladder. They are the poorest of the poor who may once in awhile even get more than they are paying in taxes because it encourages them to work, to job train, to try to get up that economic ladder instead of just sitting on welfare with little incentive to get off.

In early April, the Governmental Affairs Committee held 2 days of hearings on EITC. During those hearings, I heard all of the arguments for and against the EITC. I left those hearings more convinced than ever that this tax credit is one of the most important parts of our Tax Code.

It has suffered from abuse and mistakes and we have to crack down on fraud and be tough on the error rates. I am happy to report that IRS has taken on this issue, and they are making progress with this. They have made improvements, and are continuing to crack down on those who abuse the system. Unfortunately, the cuts we are talking about in the budget resolution have nothing to do with improving this important tax credit.

Instead, the cuts seem to be all about trashing the credit. Instead of addressing fraud, we are going to decimate the EITC and effectively raise taxes on the working poor.

I cannot imagine that any Government that says, yes, we are family oriented; yes, we want to help the least advantaged in our society, is about to raise taxes on the working poor.

Let us not throw out the baby with the bath water. It is like cutting your arm to get rid of a wart on your finger. The earned income tax credit is too important for that.

The EITC has enjoyed bipartisan support since Russell Long helped create it in 1975. Republicans and Democrats alike have viewed the EITC as a non-bureaucratic way to make work/pay better than welfare.

President Reagan called the EITC ''The best anti-poverty, the best pro-family, the best job creation measure to come out of the Congress.''

That is not someone on this Democratic side of the aisle or this administration, that is President Ronald Reagan.

Senator PACKWOOD said in 1991 that the EITC is ''a key means of helping low-income workers with dependent children get off and stay off welfare.''

Senator DOMENICI said in 1990, ''The EITC is a great way to help low-income families with the cost of raising their children. It sends assistance to those in need, to those who work hard and yet struggle to make a living and provide for their children.''

And I agree with Senator DOMENICI in that statement.

Others who have expressed especially strong support have included Senators DOLE, HATCH, and GRASSLEY; Representatives ARMEY and PETRI; and former Representative Kemp.

The less fortunate of our society too often find themselves fighting just to feed their families, pay their bills, and stay off public assistance. They are not crooks. They are not tax cheats. They are working hard to earn their tax credit. It is not some sort of a handout. They do not get it if there is no earned income. And it is one of the best tools we have to bridge the gap—bridge the gap, a bridge over troubled waters—between welfare and work. We all talk about making work. We all talk about making work affordable. Well, the EITC is doing just that. In my home State of Ohio, more than half a million working families are getting a little extra back from their paycheck to help make ends meet. I would like to share some of their stories. I think they will shed some light on just what the EITC is all about.

Brenda Manders is a divorced mother of a 3 year old who lives in Columbus, OH. She has earned the credit for 3 years. Brenda, who works for Legal Services and has been training to become a legal secretary, this year received a total refund of $2,740. This was very fortunate, because after a separation from her husband, Brenda and her child were left with no place to live. Faced with homelessness, she was able to use her tax credit to pay for a security deposit and rent on an apartment for her and her child. Without it, Brenda and her child may well have wound up on the street.

And Zorida Hart of Cleveland, OH, is a single parent who works as a switchboard operator at the Council for Economic Opportunities. She received a credit of $1,978 which she is using to pay for day care. And she's put $900 of that credit in the bank to save it for a rainy day. I wish the U.S. Congress were as pennywise as Zorida. Over the past few days, I have heard from a lot of Ohio parents who rely on the EITC to help them with child care so that they can have a job. This is a tax credit that is working for Americans. More importantly, it is keeping Americans working.

We have heard several complaints about the EITC. I would like to address these one at a time, because I suspect we might hear them again and again. I hope we can put them to rest. First, the problems of fraud and error. This is a critical issue.

I think if we learned any lesson from the hearings that the Governmental Affairs Committee held in April, it is that we had better keep pushing to prepare the IRS for the 21st century through projects like compliance initiative.

Senator SIMON and I will be offering an amendment on this shortly to ensure that this important antifraud program continues. As one of the witnesses at the April hearings said, the IRS is seeking to crack down on fraud but is hampered by antiquated systems. We need to change that to uphold public confidence not only in the EITC, but in our Tax Code generally.

We have heard dramatic statistics about the EITC error rates. We are told that according to a 1994 IRS study they are as high as 35 to 45 percent. Well, those figures are very deceiving. They deal with those filers whose tax returns were off by just a few dollars and filers who incorrectly claimed too small an amount. Mr. President, I think that bears repeating. These large percentages include those who actually claimed too little.

The more important statistic involves not such small discrepancies, but rather whether the EITC was claimed in error. The IRS study found that about 25 percent of the EITC benefits claimed were claimed in error. While there was fraud, most erroneous claims were found to be unintentional. But this 25-percent figure still overstates the problem. It deals with what was claimed, not what was actually paid out, and that is the bottom-line question. The IRS detected many of those erroneous claims, corrected them, and avoided making any overpayments. Unfortunately, the 1994 IRS study did not determine the actual EITC overpayment rate.

The error rate figure is deceivingly high for another reason. The 1,000 returns examined in the study were not representative of the EITC returns filed in 1994. They were only the returns filed electronically during the first 2 weeks of the filing season. Error rate is likely to be higher among early electronic returns than among EITC returns overall.

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

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

Mr. GLENN. Mr. President, what is most important is that the IRS, in response to the 1994 study, has initiated tough measures to scrutinize EITC returns. Before sending a payment, the IRS now verifies not only the Social Security numbers of all adult claimants, but also the numbers of all children in the EITC families to make sure that the claims are valid and that no child is claimed twice. Also, the GATT legislation enacted last fall included a provision requiring for the first time that Social security numbers be provided for all infants. Several million returns have been delayed this year because of discrepancies with Social Security numbers.

In addition, the IRS now pulls all EITC returns falling into error-prone categories, sends the families a questionnaire and requires the families to provide additional documentation.

So Mr. President, all the figures that we have heard, and are about to hear, are outdated. And given the new IRS compliance measures, they are not entirely relevant to the current debate. The IRS has recognized the problem, and its seeking to correct it.

Do not get me wrong. I am not saying that fraud and error rates are OK. I am the last one who would imply such a thing. But I believe that, instead of seeking to reduce working people's tax credit, we should instead work with the IRS to reduce error rates. The IRS is making a lot of headway here. And we should all work to make sure it continues. That is progress. Increasing the tax burden on our lowest income working families is not something that we want to sponsor.

Next, we have heard that the EITC is simply out of control. Well, I am here to tell you—it is not. The increases that we have seen in this tax credit have been mandated very specifically by Congress. We have scheduled increases by law and phased them in several years at a time.

The first major increase in this tax credit took place under President Reagan in 1986. The second was initiated under President Bush in 1990.

And in 1993 under President Clinton, the Congress approved this budget reconciliation act which very specifically sets forth the years that program increases will take place. These expansions took place to make work pay. They were done in recognition of the fact that other policies to assist the working poor—like the minimum wage—have become much weaker. And they were done so that a parent who works full time throughout the year would not have to raise his or her family in poverty. In fact, the 1993 increase was designed to do just that—it was designed so that a family of four in which the parent works at the minimum wage would be lifted to the poverty line.

But even with these planned expansions, the disposable income of a working mother with two children will be up to $3,000 lower, after adjusting for inflation, than in 1972 before the EITC was even created.

Mr. President, after the three expansions specifically enacted under Presidents Reagan, Bush, and Clinton, the tax credit will return to its normally low rate of growth. In fact, after 1997 it will grow at a rate less than the GDP. I am sure there are not many provisions you could say that about in the tax package that the House put together.

We have also heard allegations that 80 percent of the EITC goes to those with no income tax liability at all. Well, the truth of the matter is that the EITC was intended to offset not only income taxes, but also payroll taxes and excise taxes. More than 80 percent of the EITC goes directly to offset all of these taxes which are being paid by workers who are fighting to get out, and stay out, of poverty.

Some also say this program discourages work. The argument is that—because the credit phases out as family income increases spouses will be discouraged from getting jobs. It's an interesting theoretical argument. But what I find more persuasive is the way the tax credit has enabled people to work by helping them pay for things like child care, transportation or work clothes. I have heard from a lot of people who have used the credit for these things. But I have not heard from anyone who turned down job opportunities because it would affect their tax credit. Let me give another example from Ohio. Carol and Roy Wilmonts of Columbus, OH received the EITC for the past 2 years. They used it to help pay bills. And Carol has had the flexibility to care for their kids—Amber, Ashley, Autumn, and Nicholas. You see, that's part of the equation people ignore. Some use the EITC to pay for child care. Others use it to provide the financial flexibility for one spouse to stay at home and care for the kids. It is not a work disincentive for Carol. Roy received a promotion and is now manager at a Muffler King. He and Carol no longer receive a tax credit. But they are glad that they got one when they really needed it most.

We have also heard that you get the credit even if you work just a tiny little bit. Well—what do you know—then you get just a tiny little credit.

And we heard that those with little earned income but a lot of interest income can take advantage of the system. Well, at the request of the Clinton administration we are putting an end to that through language in the self employed health care deduction bill that has now become law.

Then we heard about the so-called marriage penalty. But no one bothered to mention that the EITC can also encourage marriages. Without the EITC, there is a great deal of financial risk for a mother on AFDC who does not work and is considering marrying someone with low earnings. If she marries, she and her children will become ineligible for AFDC and also lose some of their food stamps, not to mention the loss of Medicaid.

The EITC helps to offset those losses. By tying the knot, the couple will gain an EITC benefit of up to $2,157 if they have one child and up to $3,564 if they have two or more children. This will partially, and in some States fully, make up for the loss of AFDC benefits. Encouraging single mothers who are on welfare to marry into working families is certainly worthwhile in my book.

Some people may view the amount of credit that we are talking about as of little consequence. But let me offer an illustration provided by Dan Grunberg in testimony before the Governmental Affairs Committee. For someone who has a weekly take home pay of less than $200, the average EITC payment of $1,500 is almost 8 weeks pay. That makes a big difference.

Mr. President, it is hard to escape the harsh irony that we are discussing tax increases on those fighting to escape poverty, while at the same time the House is proposing a massive package of tax cuts that will benefit the wealthiest Americans and largest corporations. Since I cam to the Senate, I have worked for fairness and progressivity in the Tax Code. The majority's EITC proposal, especially in the face of the House tax cut package, is neither fair nor progressive. It is Robin Hood in reverse.

So, Mr. President, count me as a supporter of the EITC. We can sit around here all day with fancy charts, graphics, and statistics. But nothing will substitute for the personal experiences of real people like Roy and Carol Wilmonts. They are working hard to get by. They needed that little extra help that EITC offers. And they worked hard for it.

Mr. President, I encourage my colleagues to support the Bradley amendment and oppose tax increases on the working poor.

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

Mr. GLENN. I appreciate the time.

Mr. BRADLEY. Mr. President, we will withhold further comment on this side until the other side has a chance to state their case as to why they want a tax increase on working Americans. That is the basic question.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Who controls the time on the other side? Does Senator BRADLEY? How much time have they used so far?

The PRESIDING OFFICER. The Senator from New Jersey has used 40 minutes, and has 20 minutes left. The Senator from New Mexico has 55 minutes.

Mr. DOMENICI. The Senator from Pennsylvania, Senator SANTORUM, desires to speak for how much time?

Mr. SANTORUM. Five minutes.

Mr. DOMENICI. I yield 5 minutes to the Senator from Pennsylvania.

Mr. President, I designate Senator NICKLES to be the manager of the time remaining on this amendment in my behalf.

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

The PRESIDING OFFICER. The Senator from the Pennsylvania, Senator SANTORUM, is recognized for 5 minutes.

Mr. SANTORUM. Mr. President, I rise in opposition to this amendment. I was struck by the arguments presented by the Senator from New Jersey in favor of this amendment about this Republican budget being a tax increase.

Let me just first state, again, this goes without saying, all of the amendments that are being offered by the other side of the aisle are, in a sense, bogus because they take us off the path to a balanced budget. As a result, this money that they draw from, this $170 billion that is being used to pay for this amendment, does not exist because once you put the tax credit back in, you then throw us off the line to get us to a balanced budget which then, according to the Congressional Budget Office, gets us the $170 billion.

So by putting this amendment on, the budget is no longer balanced, there is no $170 billion and, guess what? We do not have a balanced budget, we have no $170 billion, and we are back to the same place as before, which is adding to the deficit, not getting to a balanced budget.

Anyone who believes that there is money here for this program—there just is not money here for this program. This blows the whole deal. This is another attempt by the other side to say we do not want a balanced budget because if we pass this we do not have a balanced budget. So let us put all this tax cut or no tax cut—that is a red herring. This proposal destroys the balanced budget, period. It destroys it, No. 1.

No. 2, I found it absolutely amazing that the Senator from New Jersey would talk about all these tax cuts or tax benefits or tax expenditures, $480 billion in tax expenditures and then, admission against interest, he admitted most of those tax expenditures he supports. Of course, the lion's share of them, the biggest is health insurance; second is home mortgage deduction; and third is property taxes and income tax deduction.

I am sure he does not oppose any of those. That is, by far, the lion's share. What does he point out as the big one? Section 29. Section 29. This little provision in the Tax Code for tight sands drilling of oil and natural gas.

Now, let us look at section 29, this big glaring one that makes everything else illegitimate. Section 29 applies only to wells drilled prior to 1993. This thing has been phased out. It is not even around anymore. It is only for old wealth. This was taken care of a few years ago. So he is arguing we should get rid of a provision we have already gotten rid of.

Mr. BRADLEY. Will the Senator yield?

Mr. SANTORUM. I will be happy to yield.

Mr. BRADLEY. Does the Senator deny that the provision in the Republican proposal will increase the tax on working families?

Mr. SANTORUM. The Senator will admit that by reducing the rate of growth in this program, people will not get the tax breaks that were intended under the Clinton 1993 budget, yes.

Mr. BRADLEY. Yes. So it is a tax increase on working families.

Mr. SANTORUM. It is not a tax increase. What it says is that people who are—I find it absolutely amazing to suggest that people who get a refund, and 90 percent of the people in this program do not pay any income tax. Let me repeat that, almost 90 percent of the people who get the earned income tax credit pay no Federal income taxes.

Mr. BRADLEY. Will the Senator yield for another question?

Mr. SANTORUM. I have not yielded.

Mr. BRADLEY. Will the Senator yield?

Mr. SANTORUM. Let me finish my point. I do not know how you can say that it is a tax increase if 90 percent of the people receiving this money do not pay taxes. To me, when you are giving money back, in fact you are giving a negative income tax to a group of people and you are saying you are not going to let that increase so they can get more negative income tax. I do not know how you consider that a tax increase, an increase in taxes. What we are saying is we are not going to give you more money that you have not paid already.

Mr. BRADLEY. Does the Senator agree that these working families pay Social Security taxes?

Mr. SANTORUM. This is a tax credit for Federal taxes. That is what this program is.

Mr. BRADLEY. I am sorry. We will hear later from the Senator from Louisiana, who can address the purpose of the originator, Senator Long of Louisiana. The point the Senator misses, and I think the other side admits this consistently——

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

Mr. SANTORUM. Can I have an additional 2 minutes?

Mr. NICKLES. I yield the Senator 2 additional minutes.

Mr. SANTORUM. I will just suggest 90 percent of the people in this program do not pay any Federal income taxes, and that when you have a program, as the Senator from Oklahoma I know is going to point out, that is fraudulent to the point of—the Senator from New Jersey said 13 percent. There are reports it is as high as 45 percent.

I know myself, I am waiting for my tax return to come back, and the reason the Internal Revenue gave me, in writing, why I am 2 months delayed in getting my tax return back is because they are having so many problems in trying to track down the fraud in the earned income tax credit provision of the Tax Code. This program has a lot of problems.

I want to get back to the original point the Senator made, how we have all these terrible provisions in the Tax Code that benefit corporate America. He points out, one, section 29, which has been eliminated, he supports programs like section 936.

It is funny, the Senator from New Jersey did not comment on the preferential tax provision for drug companies in New Jersey, and in fact supported that provision as recently as the last budget go-around when the Clinton administration cut that program back and there was an amendment on the floor of the Senate to eliminate that program, and the Senator from New Jersey refused to eliminate it.

Now, we can play this double standard. Because they do not have oil in New Jersey, they are against section 29; but if there are drug companies in New Jersey, they are not against section 936.

That is the demagoguery that goes on around here. We will point to corporate tax cuts, unless of course, the corporation is in your State.

Mr. BRADLEY. Would the Senator yield?

Mr. SANTORUM. I have been very generous in yielding.

Mr. BRADLEY. The Senator is wrong. In 1993 we cut that provision by 40 percent. If the Senator is arguing that we should cut every other corporate provision by 40 percent, his argument would be consistent. I do not think he is arguing that.

Mr. SANTORUM. Reclaiming my time, Mr. President.

The PRESIDING OFFICER. The additional 2 minutes has expired.

Mr. SANTORUM. Mr. President, 30 seconds, Mr. Chairman.

Mr. DOMENICI. I yield 1 additional minute.

Mr. SANTORUM. If we look at the amendment on the floor to eliminate section 936, the Senator from New Jersey voted against it. He voted to keep section 936 for drug companies, many of whom are based in New Jersey.

So we can look through the entire Tax Code. There are lots of provisions in there that benefit specific industries, some of them for very good reasons, others not so good. To suggest that the entire Tax Code is one big loophole for corporate America belies the numbers. No. 1, where most of the tax expenditures are, in fact, for the earned income tax credit, health insurance, property taxes, local income taxes, and the home interest deduction.

I would just suggest, as the Senator from Oklahoma will talk about, this program has problems with fraud, is a very harsh program as far as work disincentive, and there is a lot of information out there how the folks in this program are, in fact, not full-time workers who are just above the poverty level, but in fact only part-time workers who get a subsidy.

I yield the floor.

Mr. BRADLEY. Mr. President, I find it ironic that the Senator from Pennsylvania is aggressively defending all the special interest provisions in the Tax Code, while at the same time he is for a flat tax.

How can the Senator be for a flat tax and want to eliminate all the special interest tax provisions.

I yield 5 minutes to the distinguished Senator from Louisiana.

Mr. BREAUX. I thank the Senator from New Jersey for yielding.

There is a great country and western song. I think country and western writers are some of the best philosophers that we will ever see in society. In one of the songs this guy is singing, he says, ''After the breakup, she got the gold mine and I got the shaft.''

If you are a working family in America that makes $28,500 a year—which I would point out is most of the people in my State of Louisiana by a huge amount—you are getting ready to get the shaft; somebody else is going to get the gold mine.

Budgets are about priorities. There is no clearer priority than what we are talking about right now. What the budget that is pending says, ''If you are a working family that works every day, works hard, pays your taxes, follows the law, and does what society tells you to do, you are getting ready to get the shaft.''

We can argue about whether this is a tax cut or a tax increase, but the facts are very clear: What the budget proposal says, for a family that makes $28,500 or less with two children in this country, that family is getting ready to have to pay a lot more to Uncle Sam. That family is getting ready to have to dig into their wallet at the end of the year and send money to Washington that they did not have to do last year because of this budget.

Now, somebody can say that is not a tax increase. But I must say, if a person has to pay more than they paid last year, that ''ain't'' fun. If a person has to pay more than they paid last year, call it anything, but that person is going to be hurt.

Now, we have heard people talk about what people said, and Senator DOMENICI is on the floor, who talked about this program in the past. My predecessor in the U.S. Senate, Senator Russell Long, a person I have tremendous amount of respect for, says we have to start making work more attractive than welfare.

How many times have we heard speeches on the floor, ''The problem is people don't work enough. We have too many people on welfare.''

Ronald Reagan said this program, when it was passed, was ''The best antipoverty, the best profamily, the best job-creation measure to ever come out of the Congress.''

Today, this budget says we are going to slash it, and we are going to give the shaft to the people of this country who are hard-working Americans who are trying to make ends meet, trying to send their kids to school, trying to make sure they do not go on welfare. We will make it a lot harder. That is one thing.

Again, budgets being about priorities, what are they doing with the money? It is one thing to cut people who work every day really hard and are barely making it, can barely afford to pay the rent, and say ''We will take this money away from you, that we are trying to help you with,'' and we are going to try and give a tax cut to families that make up to $200,000 a year—a tax cut of about $5,000 over the next 5 years—and wealthy taxpayers earning up to $350,000 get a tax cut of $20,000 when all of their tax cuts are fully phased in.

Now, people say we do not want to get into class warfare. I am not talking about class warfare. I am talking about something called fairness. Is it fair to say to someone making $28,000, ''We will make you pay more,'' in order to say to people who make $200,000, ''You will pay less.''

What are our priorities? Budgets are about priorities. It is one thing to say this program is not working exactly like it was supposed to. I would suggest it is. I would suggest the Senator from Pennsylvania who says that it only applies to offset income tax knows not of what he is speaking, because it is clearly not correct to say that. It is clearly not correct.

This program was expanded by a bipartisan effort, I would point out, to include not only income taxes. We know people making that amount of money do not pay a lot of income taxes. But we have increased a payroll tax five times. These people get hit with a payroll tax, get hit with a gasoline tax Congress passed, get hit with excise tax, and alcohol and tobacco and other products. All of these taxes can be used to offset the earned income tax credit, not just the income tax.

We know the figures, that a lot of the people do not pay income taxes, but everyone pays payroll taxes, excise taxes, gasoline taxes, and all the other things that get hit and keep them in the bowels of poverty.

Again, who is getting the shaft and who is getting the gold mine? I think it

is pretty clear that this suggestion says we will repeal any of the increases.

What else do they do with regard to this proposition? I think it is very important to know.

Here is what the proposal does: No. 1. It repeals the 1996 increase in deductions that people who are working and making 28,000 a year get. It repeals it outright. It also repeals the workers who do not have children, the credit that they would get.

Is it not fair to have people who do not have children to not be able to benefit in the program? In 1993 Congress added this section. In a bipartisan effort, under that credit, taxpayers without children would be eligible for some credit. This budget says they are out of here, forget them, we are not going to help them. I do not understand that. Well, you can say that is not a tax increase but, by golly, they are going to pay more money to the Federal Government. And I do not think it helps them or makes them feel better to say those people in Washington told me this was not a tax increase, but I am paying more money than the last time. How can that not be a tax increase? It definitely comes out of their back pocket at a time when Congress is saying: Get off the dole, go to work, support your family, follow the law and, by the way, we are going to make you pay more so we can give a tax cut to people making $200,000 a year. Priorities. It is a question of priorities.

Now, I know some people are going to say, well, this program has increased so much and we have this huge increase, and it is just going out of control. Let me suggest that the growth rate is not explosive and it is not out of control. It is doing exactly what Congress intended it to do. It is growing because it was designed to grow because of expansions in the bill that were signed into law. The charts are going to show something that goes up like that. That is because Congress said, in a bipartisan manner, that in addition to income tax, we are going to cover things like payroll tax, which is the most regressive tax of all; we are going to cover the gas tax, which we have increased; the payroll tax, which is increased; the excise tax on products, which has increased several times. Of course, it has increased and it is starting to level off.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, I rise in opposition to the amendment offered by my friends on the other side of the aisle because we need to restrain the growth of the earned-income tax credit. I want to make several comments, and I am going to insert several charts and figures into the RECORD.

I ask unanimous consent that at the conclusion of my statement, these charts be printed in the RECORD.

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

(See exhibit 1.)

Mr. NICKLES. Mr. President, my colleagues are certainly entitled to their own opinions, but they are not entitled to their own facts. The fact is that this program is growing rampantly out of control. It has been, without a doubt, the fastest growing entitlement program in Government. It is also probably the most fraudulent program we have in Government. I want to refute the statement I have heard almost all of my colleagues on the other side say—that this is a tax increase on the working poor. They are totally wrong.

The changes we are talking about making in the EITC program are not a tax increase on anyone. What we are doing is reducing the rate of growth of a program that is growing in cost by leaps and bounds. We are not talking about tax credits. We are talking about reducing the amount of checks that we are writing—outlays. This is a cash benefit program. Eighty percent of the money in this program is written in a check at the end of the year.

It is not a reduction in somebody's taxes. It is a payment; it is a negative income tax. In almost 99-plus percent of the cases, it is a check paid as a refund to people in a lump sum payment. These lump sum payments have been rising dramatically. My colleagues need to be aware of the exploding costs in this program. The numbers on this chart are what the Federal Government is actually spending. I will have this inserted into the RECORD so my colleagues can see it. The growth in this program is astronomical. I heard a couple colleagues saying Ronald Reagan and others were supporters of this program. Let us put their support in context.

In 1980, this program's outlays were $1.4 billion. In 1986, they were $1.5 billion. So in 5 or 6 years, the outlays almost had no increase. So it was very, very small, program. In 1986, we had some increases, and by 1990, this program's outlays were $5.3 billion.

Mr. BRADLEY. Will the Senator yield?

Mr. NICKLES. I want to make a significant statement, and I will yield at a later time.

That is a pretty significant growth, from $1 billion to $5 billion. Look at this chart to see what happened since 1990, because now we are talking about a program that is going to be 30 billion dollars plus. Again, I am just talking about outlays, what the Federal Government is writing a check for. I am not talking about a tax credit that somebody has to reduce their taxes. I am talking about what the Government is writing the check for—outlays where the Government is writing a check.

These figures are exploding. In 1990, outlays were $5 billion. In 1992, they doubled and went to $10 billion. By 1995, the outlays went to $20 billion, and they continue to escalate. In 1997, outlays for the EITC will be $23.8 billion. Again, I will have these inserted into the RECORD. The growth rate for the last several years in EITC outlays, beginning in 1990, was 14 percent, 55 percent, 22 percent, 21 percent, 42 percent in 1994, and 18 percent in 1995.

Those are increases in outlays where we are writing checks, not reducing someone's tax liability. Uncle Sam is writing a cash payment benefit. Again—this is 10 times the rate of growth of inflation over most of these years.

The cost of this program now exceeds the cost for Aid for Families with Dependent Children. We are going to talk about welfare reform very soon. Senator BRADLEY, myself, and others are going to be working on a welfare markup tomorrow. We will focus on AFDC because it has been the largest cash assistance program for welfare dependents. The EITC exceeds AFDC. It did not a couple years ago.

This chart maybe is a little more confusing, and thus needs explanation. You see the red, which is the outlays. The green here is the credit portion. So the total cost of this program, estimated by the year 2002, is going to be $36.2 billion. That is an unbelievable explosion of a program that only cost a couple of billion dollars back in the late 1970's and even in the early 1980's. The total cost of the program in 1986 was $2 billion. The total cost of the program in 1990 was $6.9 billion. The total cost of the program in 1994 was $21.8 billion. It tripled between 1990 and 1994—tripled; it went from less than $7 billion to $21.8 billion. By 1996, it goes up to $28.4 billion. Again, the growth rate in the total cost of this program, outlays and credits, is astounding. In 1991, it went up 60 percent; in 1992, 17 percent; in 1993, 20 percent; in 1994, 40 percent; in 1995, 16 percent; and in 1996, 12 percent.

Now, the cost of the EITC is growing for a lot of different reasons. One, Congress has increased the amount of money people are eligible for. But I will give you some figures. The maximum credit in 1990 for two or more children was $953. From 1976 through 1978, the maximum credit anybody could receive out of this program was $400. In 1979, all the way through 1984, it was $500. Then, in 1985 and 1986, it was $550. Then it has increased substantially every year. In 1990, a person could receive $953. So it basically doubled from 1979 to 1990—the maximum amount of credit that anybody could receive for two or more children.

Again, keep in mind that 99 percent of the people who file returns for this receive a lump sum payment. So $1,000 is not a bad deal. More and more people found out about it and thought, hey, this is a pretty good deal. They can file an income tax return even though most of these people have income such that they are not going to pay any Federal income tax. Maybe they will pay some Social Security tax, but they will file a return and get $953. Then more and more people became eligible. Congress increased eligibility and people became

aware that it could be very easily cheated.

The maximum amount went up dramatically. In 1995, it was $1,511. It went up another 50 percent over that period of time. From $953 in 1990; and in 1993, $1,511. In 1994, Congress made some changes in a tax bill that not any Republican voted for. I do not remember anybody saying we are going to increase the maximum amount on the income tax credit from $1,511 to $2,528 in 1 year. The maximum tax credit went from $1,511 to $2,528. In 1995, the maximum tax credit is $3,110. In a few years, we went from less than $1,000 to $3,110. It has tripled. No wonder the cost of this program is climbing up out of control. We went from a maximum credit for a family with two or more children of less than $1,000 to $3,000 in 5 years. You can see why there was an explosion in cost.

Unfortunately, there was also an explosion in fraud. For my colleagues to defend a program that has had this kind of fraud and error rate I think is unbelievable. I am just looking at a GAO study that was given to the Senate in March 1995. It says, ''The most recent taxpayer compliance measurement program shows that about 42 percent of EIC recipients receive too large a credit and 32 percent were not able to show they were entitled to any credit.''

Think of that, 32 percent of those surveyed could not show that they are entitled to receive any credit. One-third of the beneficiaries were not able to show that they were entitled to any credit? And we are expanding it on this kind of scale? People can receive $3,100 and one-third could not even defend that they were entitled to receive it and 42 percent showed an error? Maybe some of those errors were small, maybe some of them were large, maybe some of them were intentional, maybe some of them were not, but about 34 percent of EIC paid out was awarded erroneously.

Mr. President, 34 percent was awarded erroneously? Wow, think of that. We are talking about a program that is bigger than AFDC, a program that is growing at this kind of rate, and it has that kind of fraud and error rate.

What are these radical Republican proposals that I keep hearing about that we are taxing working poor? That is false. I just totally deny that accusation. That irritates me. What we are trying to do is stem the tide of a program that is totally out of control. Republicans think we should control it. As my colleagues know, we are not passing tax law on the floor of the Senate. We are not rewriting the program. We are saying we have a program that is out of control and we ought to contain its growth.

Under the Republican package, let me mention, the total cost of this program grows from $25 billion in 1995 to $28 billion in 1996. It continues to grow about $1 billion a year to $32 billion by the year 2002. In other words, under the proposal we are suggesting to the Finance Committee, EITC would continue to grow, but it would grow about $1 billion per year, a little over 3 or 4 percent per year, whereas under current law it continues to grow much faster than that.

Let me give a couple of specific examples. As I mentioned, right now under the earned-income tax credit, a person with two or more children is able to receive $3,110. Under the plan that some of us are proposing, next year that person could receive $3,119 and that figure would continue to increase every year so by the year 2000 a person with two or more children could receive $3,560. So, again the maximum credit allowed would increase every single year. Granted, it will not increase as fast as provided under current law. A person could receive, again, lump sum payments under current law from $3,110 in 1995 to over $4,000 by the year 2000. We allow the increase to go from about $3,110 in 1995 to $3,560 by the year 2000. So we have smaller increases.

The current law says let us take it up to $4,000. Again, keep in mind most people are receiving this as a lump sum payment. I think that is a great incentive for fraud. If you cheat on your tax return, not only do you reduce your taxes, which is what happens in most cases, but Uncle Sam is going to write you a check. Right now the check is $3,110. We found a lot of fraud when people were getting just $953. What are they going to do when they can get $4,000? So we think we need to curb this abuse. We need to eliminate the fraud. We need to slow, not expand, this program. We did not even freeze the program. Maybe we should have.

A program this fraudulent probably should have been frozen. We did not do that. Actually, if you had frozen the program for 7 years I think you save $50 billion. We did not do that. We just slowed the rate of growth. For my colleagues to insinuate that is a tax increase on the working poor, I beg to differ. I think that is totally false.

If we are ever, ever going to balance the budget, we have to curtail the growth of programs that are growing a lot more rapidly than inflation. I have already given the figures of the rapid cost of this program. We are trying to constrain it in our proposal. If we allow Uncle Sam to continue writing checks that grow from $953 in 1990 to $3,110 in 1995 to $4,000 in 2000, this program will not be contained. These numbers will continue to climb off the charts and we will have deficit spending. Not only will we continue to have deficit spending but we are going to find that too many people are eligible for this program—I have read in one case where 30 to 40-some-odd percent of the District of Columbia is now eligible for this program.

You are going to continue to have rampant, rampant abuse, I am afraid, because the dollars are so large. And that would be a serious mistake. So I will send a second degree amendment to the desk and ask for its immediate consideration.

I will postpone that. I yield the floor.

EXHIBIT 1

EARNED INCOME TAX CREDIT—TWO OR MORE CHILDREN

Year	Credit percent	Maximum credit	Min income for max credit	Max income for max credit	Zero credit income
Historical					
1976	10.00	$400	$4,000	$4,000	$8,000
1977	10.00	400	4,000	4,000	8,000
1978	10.00	400	4,000	4,000	8,000
1979	10.00	500	5,000	6,000	10,000
1980	10.00	500	5,000	6,000	10,000
1981	10.00	500	5,000	6,000	10,000
1982	10.00	500	5,000	6,000	10,000
1983	10.00	500	5,000	6,000	10,000
1984	10.00	500	5,000	6,000	10,000
1985	11.00	550	5,000	6,500	11,000
1986	11.00	550	5,000	6,500	11,000
1987	14.00	851	6,080	6,920	15,432
1988	14.00	874	6,240	9,840	18,576
1989	14.00	910	6,500	10,240	19,340
1990	14.00	953	6,810	10,730	20,264
1991	17.30	1,235	7,140	11,250	21,250
1992	18.40	1,384	7,520	11,840	22,370
1993	19.50	1,511	7,750	12,200	23,049
1994	30.00	2,528	8,425	11,000	25,296
1995	36.00	3,110	8,640	11,290	26,673
Current Law					
1996	40.00	3,564	8,910	11,630	28,553
1997	40.00	3,680	9,200	12,010	29,484
1998	40.00	3,804	9,510	12,420	30,483
1999	40.00	3,936	9,840	12,840	31,529
2000	40.00	4,068	10,170	13,280	32,596
Senate GOP Proposals					
1996	35.00	3,119	8,910	11,630	27,720
1997	35.00	3,220	9,200	12,010	28,634
1998	35.00	3,329	9,510	12,420	29,504
1999	35.00	3,444	9,840	12,840	30,620
2000	35.00	3,560	10,170	13,280	31,656

Provided by Senator Don Nickles, 05/18/95.

Source: Joint Committee on Taxation.

EARNED INCOME TAX CREDIT—ONE CHILD

Year	Credit percent	Maximum credit	Min income for max credit	Max income for max credit	Phase-out income
1976	10.00	$400	$4,000	$4,000	$8,000
1977	10.00	400	4,000	4,000	8,000
1978	10.00	400	4,000	4,000	8,000
1979	10.00	500	5,000	6,000	10,000
1980	10.00	500	5,000	6,000	10,000
1981	10.00	500	5,000	6,000	10,000
1982	10.00	500	5,000	6,000	10,000
1983	10.00	500	5,000	6,000	10,000
1984	10.00	500	5,000	6,000	10,000
1985	11.00	550	5,000	6,500	11,000
1986	11.00	550	5,000	6,500	11,000
1987	14.00	851	6,080	6,920	15,432
1988	14.00	874	6,240	9,840	18,576
1989	14.00	910	6,500	10,240	19,340
1990	14.00	953	6,810	10,730	20,264
1991	16.70	1,192	7,140	11,250	21,250
1992	17.60	1,324	7,520	11,840	22,370
1993	18.50	1,434	7,750	12,200	23,054
1994	26.30	2,038	7,750	11,000	23,755
1995	34.00	2,094	6,160	11,290	24,396
Current Law					
1996	34.00	2,156	6,340	11,630	25,119
1997	34.00	2,227	6,550	12,010	25,946
1998	34.00	2,305	6,780	12,420	26,846
1999	34.00	2,383	7,010	12,840	27,755
2000	34.00	2,462	7,240	13,280	28,584
Senate GOP Proposals					
1996	30.15	2,156	7,150	11,630	25,120
1997	30.15	2,225	7,380	12,010	25,934
1998	30.15	2,300	7,630	12,420	26,816
1999	30.15	2,379	7,890	12,840	27,726
2000	30.15	2,460	8,160	13,280	28,676

Provided by Senator Don Nickles, 05/18/95.

Source: Joint Committee on Taxation.

IMPACT OF REFORMING THE EARNED INCOME TAX CREDIT

	1996	1997	1998	1999	2000	2001	2002	Total
EITC baseline (CBO)	28	30	31	32	34	35	36	226
EITC reforms	(0)	(3)	(3)	(3)	(4)	(4)	(4)	(21)

IMPACT OF REFORMING THE EARNED INCOME TAX CREDIT—Continued

	1996	1997	1998	1999	2000	2001	2002	Total
EITC baseline after reforms	28	26	28	29	30	31	32	204

Provided by Senator Don Nickles, 05/18/95.

Source: CBO and Senate Budget Committee majority staff (billions of dollars).

EARNED INCOME TAX CREDIT

Year	Total cost (billions)	Percent growth	Outlay cost (billions)	Percent growth	Revenue cost (billions)	Percent growth	Number of family beneficiaries	Percent growth	Average credit	Percent growth
1975	1.3		0.9		0.4		6,215,000		$201	
1976	1.3	4	0.9	−1	0.4	16	6,473,000	4	200	0
1977	1.1	−13	0.9	−1	0.2	−39	5,627,000	−13	200	0
1978	1.0	−7	0.8	−9	0.2	0	5,192,000	−8	202	1
1979	2.1	96	1.4	74	0.7	166	7,135,000	37	288	43
1980	2.0	−3	1.4	−2	0.6	−6	6,954,000	−3	286	−1
1981	1.9	−4	1.3	−7	0.6	3	6,717,000	−3	285	0
1982	1.8	−7	1.2	−4	0.6	−13	6,395,000	−5	278	−2
1983	1.8	1	1.3	5	0.5	−8	7,368,000	15	224	−19
1984	1.6	−9	1.2	−10	0.5	−6	6,376,000	−13	257	15
1985	2.1	27	1.5	29	0.6	24	7,432,000	17	281	9
1986	2.0	−4	1.5	−1	0.5	−10	7,156,000	−4	281	0
1987	3.9	96	2.9	98	1.0	89	8,738,000	22	450	60
1988	5.9	50	4.3	45	1.6	64	11,148,000	28	529	18
1989	6.6	12	4.6	9	2.0	20	11,696,000	5	564	7
1990	6.9	5	5.3	14	1.6	−17	12,612,000	8	549	−3
1991	11.1	60	8.2	55	2.9	78	13,700,000	9	813	48
1992	13.0	17	10.0	22	3.0	3	14,100,000	3	924	14
1993	15.6	20	12.1	21	3.5	17	15,200,000	8	1,027	11
1994	21.8	40	17.2	42	4.6	31	19,500,000	28	1,118	9
1995	25.3	16	20.3	18	5.0	9	19,800,000	2	1,283	15
1996	28.4	12	22.9	13	5.5	10	20,200,000	2	1,407	10
1997	29.6	4	23.8	4	5.8	5	20,400,000	1	1,452	3
1998	30.9	4	24.9	5	6.0	3	20,600,000	1	1,501	3
1999	32.2	4	26.0	4	6.2	3	20,800,000	1	1,548	3
2000	33.5	4	27.0	4	6.5	5	21,000,000	1	1,593	3
2001	34.8	4	28.0	4	6.8	5	21,200,000	1	1,639	3
2002	36.2	4	29.1	4	7.1	4	21,400,000	1	1,687	3

Provided by Senator Don Nickles, 05/18/95.

Source: CBO.

Mr. LEAHY. Mr. President, I rise in strong support for the amendment offered by the distinguished Senator from New Jersey. This amendment makes sense. It restores $21 billion in cuts over the next 7 years in the earned income tax credit in the Senate Republican budget resolution. Like their cuts in Medicare and education, the Republican's cuts in this tax credit are shortsighted and wrong.

At a time when many working Americans are struggling to make ends meet, the Senate Republican budget plan would hike taxes on low-income workers by as much as $350 a year. It would repeal the final phase of the earned income tax credit expansion enacted as part of the 1993 budget act, and it would repeal the earned income tax credit for workers without a child

I do not understand the desire to cut the earned income tax credit. Ronald Reagan, a President that I did not always agree with, had it right when it came to the earned income tax credit. President Reagan called the earned income tax credit: ''the best antipoverty, the best pro-family, the best job-creation measure to come out of Congress.''

President Reagan was right. This tax credit does reward low-income Americans for working. It makes a huge difference for families struggling to pay the rent and buy food for their kids.

The tax credit is available to low-income workers only. If you do not work, you do not get the credit. The credit starts phasing out at $11,000 for families with children and at $5,000 for workers without children. It ends for families with two children at $25,296, families with one child at $23,755, and workers with no children at $9,000.

In my home State of Vermont, the earned income tax credit has been a big success making work pay for low-income workers.

In 1993, 25,279 working Vermonters benefited from the earned income tax credit. Under the Senate Republican budget resolution, however, the earned income tax credit in Vermont would be cut by $29 million over the next 7 years. The Treasury Department estimates this cut would increase taxes on 20,156 working Vermonters by an average of $1,433 per taxpayer over the next 7 years.

Some of my colleagues on the other side of the aisle claim that these cuts are necessary because of some fraudulent claims involving the earned income tax credit. But that argument is more than a little disingenuous.

An IRS study has found some error rates in the credit, but the Clinton administration has responded aggressively to address this problem. Specifically, the administration has developed 12 measures to ensure simplicity and verifiability of the earned income tax credit. And the IRS is now matching social security numbers with tax returns to further verify credit takers.

The Senate Republican budget resolution, however, contains only one of the administration's antifraud proposals. Instead of adopting the administration's antifraud proposals or other antifraud measures, this budget resolution simply cuts the tax credit. In fact, this budget resolution cuts the earned income tax credit by $21 billion over the next 7 years because it's a quick way to collect budget-cutting dollars at the expense of a constituency that rarely votes—the working poor.

Cutting the earned income tax credit and raising taxes on the working poor is exactly the wrong thing to do now. Unfortunately, we are suffering through an era of stagnant wage growth. Just last month, the Department of Labor reported that median weekly earnings of nonsupervisory workers rose just 1.9 percent over the past year. While at the same time, consumer prices rose 2.8 percent.

And last year just continued the losing trend of the 1980's. During the 1980's, the gap between the rich and poor grew faster in the United States than anywhere else in the Western world. According to an April 1995 study by Prof. Edward Wolff of New York University, three-quarters of the income gains during the 1980's and 100 percent of the increased wealth went to the top 20 percent of families. The remaining 80 percent of U.S. families lost in real wage power.

Workers are treading water or worse against the rising tide of inflation. Now is not the time to cut a tax credit that rewards the poor for working, Instead, I urge my colleagues to support this amendment to restore the earned income tax credit.

Mr. KOHL. Mr. President, I rise in support of the amendment offered by Senator BRADLEY to restore funding for the earned income tax credit. The Bradley amendment would restore the EITC by redirecting $16.9 billion of the proposed $170 billion budget surplus to working lower income Americans. Simply stated, the Bradley amendment offers a clear choice to the Members of this body: We can impose a $16.9 billion

tax increase on working Americans or we can ask well-to-do people to bear some portion of the economic sacrifice necessary to restore our Nation's economic vitality.

Mr. President, tax expenditures are one of the fastest growing items in the Federal budget. Over the next 7 years, the U.S. Government will spend in excess of $4 trillion—that's right, trillion—on tax writeoffs, loopholes, and hidden breaks. And while there are some tax expenditures that help middle- and lower-income Americans, most of our tax expenditures end up benefiting the upper end of the economic ladder.

The budget before us today does not touch tax benefits for the wealthy and powerful. We all know that situation exists because the special interests that benefit from our current tax scheme have both the resources and ability to protect their advantages. On the other hand, Americans who rely on the EITC are too busy working—or worrying about their childrens' health or education—or struggling to make ends meet in these challenging and difficult times—to know that the Congress is about to hit them with a hidden tax increase. Because that is just what a reduction in the ETIC is—a tax increase.

Mr. President, the EITC provides a tangible economic incentive to lower income Americans to work for a living. In my own State of Wisconsin, 2,294,126 returns were filed for the 1993 tax year. Of this total, 189,831 returns contained earned income tax credit refunds, and a total of $182,548,000 in EITC refunds were paid to Wisconsin citizens. The average refund in Wisconsin was $961.63. Now that might not sound like a lot of money to some people from other parts of the country—or even to some in this Chamber. But make no mistake about it, to the Wisconsin taxpayers who qualified for those refunds, they made the difference between work and welfare; between hard work and a hand-out; and between self-worth and self-doubt.

Mr. President, I also recognize that few things in this world are perfect, and that includes the earned income tax credit. As a number of my colleagues have correctly observed, there are deficiencies in the current administration of this credit. In particular, Senators have identified problems associated with electronically filed tax returns that contain EITC claims. And while there is some disagreement over the severity of the problems, it is clear to all concerned that remedial action is required. The choice that we face today is whether we will retain the EITC and effect bipartisan reforms or whether we will drastically reduce one of the few tax expenditures that helps working class Americans.

I would urge my colleagues to continue the bipartisan approach that has been the hallmark of the EITC. My colleagues may recall that Presidents Reagan and Bush worked with Democratic Congresses to develop and expand the EITC. I hope that this Congress will continue that bipartisan spirit.

Mr. President, we are at an important crossroad in our history. We in Government have finally heard the message of the American people: That it is time to put our fiscal house in order. We must now decide whether we share the burdens that confront us equally or whether we exacerbate the growing disparities that exist within our society. I believe that the Bradley amendment is a step in the right direction. Senator BRADLEY'S amendment is a fair and reasonable proposal that helps working Americans. I therefore urge my colleagues—on both sides of the asile—to support his amendment. I yield back the balance of my time.

Mr. ROCKEFELLER. Mr. President, I rise in strong support of the earned income tax credit [EITC], and Senator BRADLEY's amendment to rescue one of this country's clearest incentives and rewards for hard-working families.

We are forced to offer this amendment to fix one of the worst parts of the budget offered by the other side of the aisle. Believe it or not, the architects of this budget are trying to cancel tax relief for the families in this country struggling every day to make ends meet so the funds—$21 billion in all—can be redirected to households and corporations in the upper tiers.

They justify their attack on tax relief for working families by claiming that the credit—the EITC—is growing out of control. That is totally misleading, and deliberately so. Yes, the EITC is growing. That's because an economic and deficit reduction plan enacted in 1993 included an initiative to increase this tax credit for very logical reasons. There is nothing to hide or apologize for. Those of us who voted for that budget, with $600 billion in deficit reduction and many cuts in spending, put our priority on hard working Americans who are working to make ends meet and raise their children. We wanted the EITC to grow because of its fundamental role in helping parents who are teetering on the economic edge to be able to choose work over welfare, independence over dependence, dignity over the indignities of the welfare system.

I am proud of my vote to expand the EITC because it is needed tax relief for more than 100,000 West Virginia families. That may be another statistic, but it stands for real people and families across my State working as hard as they can to make it each day.

The McCumbers of Frametown, WV, count on the EITC to make ends meet. She works full-time as a receptionist at the Mountaineer Food Bank, and her husband works full-time as a maintenance worker. They have two children, ages 8 and 10. For the past 4 years, the McCumbers have gotten tax relief thanks to the EITC. And let me tell you how they used that money. Three years ago, their EITC helped them make a down payment on a home. They also have used it to pay property taxes and homeowners insurance. Another year, it covered glasses for their daughter, and a new bed for their son. The McCumbers family is like many of our neighbors next door. Parents who work hard, but struggle to pay the bills each month.

Let me tell you about another West Virginia family that relies on the EITC—the Helmicks of New Milton. He works full-time driving a truck for Mountain View Construction. She is a full-time homemaker caring for six children, ranging in age from their 15-year-old twins to a 4-year old. The first time this family used the EITC was when the twins were born and they needed extra baby furniture and twice as many supplies. Over the years, the EITC has helped the family buy a used truck to ensure Mr. Helmick had reliable transportation for work. It has helped them paint their home, put a concrete floor in their basement, and even put up a home basketball court so they could keep their teenagers close to home.

Hard working families like the McCumbers and the Helmicks deserve our admiration and support. We should not pull the rug out from under them and their children by eliminating the tax relief promised to them. And we certainly should not take tax relief away from hard working people who are struggling in order to give a bonus to wealthy Americans. That's what this budget resolution proposes to do, believe it or not. That's why we should pass the Bradley amendment, and reject an idea as dumb and unfair as robbing struggling families to give something more to the well off.

If the proponents of the Republican budget get their way on the EITC, it will mean that more than 80,000 West Virginia families will lose about $1,494 over the next 7 years that they would have gotten for playing by the rules and doing something called work. That would renege on a promise to 12 million families in West Virginia and across our country.

I urge my colleague to support the Bradley amendment and the men and women who work hard every day, struggling to provide for themselves and their children.

The other side wants to focus on all the excuses for backing away from a policy of rewarding work and discouraging welfare. They talk about error rates, fraud, other problems. Where these problems need to be fixed, let's fix them. Let's not hide behind excuses to walk away from families who deserve every reward possible in a country that says it values work and children above all. The McCumbers and the Helmicks are my guidepost in this debate. They should serve as a reminder to every one of my colleagues that a growing EITC is exactly where our priorities should be.

OPPOSING CUTS TO THE EARNED INCOME TAX CREDIT AND THE REPEAL OF THE DAVIS-BACON ACT

Mr. AKAKA. Mr. President, as we continue to debate the budget resolution, I am concerned about Republican spending proposals that will balance the budget on the backs of children, middle-class families, the working poor, and the Nation's veterans. The more I study it, the more I realize that the majority's budget resolution will be a very bitter pill for hard-working American families to swallow. The budget resolution preserves special interest tax loopholes and other forms of corporate welfare. The wealthy will continue to receive billions of dollars in tax breaks and the proposed budget promises an additional $175 billion in future tax relief.

The most troubling feature of the Republican budget proposal is the $21 billion cut in the earned income tax credit. During the past decade, working families suffered a slow, steady erosion in their standard of living. Families simply had to work harder and longer to make ends meet. Despite their hard work and long hours, the number of working poor families and individuals living at or below the poverty line continues to grow.

The most effective way to improve the economic well-being of the middle class and working poor is to promote policies that reward work and lessen dependency. That is why the earned income tax credit was established. The earned income tax credit helps parents in low-income families remain in the work force. It also acts as a safety net for middle-class families confronted with a sudden loss of income.

Despite long-standing bipartisan support for policies that make work pay, the majority budget resolution would cut the earned income tax credit by $21 billion over 7 years. Congress recently expanded the earned income tax credit to lift a family of four with a full-time working parent to a level at least equal to the poverty line. The Republican budget proposal abandons this policy. Their proposed cut in the earned income tax credit would increase Federal income taxes on millions of low-income working families with children. Under the majority proposal, the Treasury Department estimates that 7.8 million working families with more than one child will see their earned income tax credit reduced by $270. A working family with two children earning $20,000 would see a $290 reduction in their credit.

Mr. President, only $1 billion of this $21 billion cut would result from the adoption of the Clinton administration proposal to deny the earned income tax credit to undocumented workers and implement procedures to reduce errors and fraud in the program. The remaining $20 billion cut represents a tax increase for millions of working families, many of which live just above the poverty level. Why raise taxes on individuals who are struggling to work, make ends meet, and avoid welfare? What message are we sending to America's working men and women? The last thing we need is a budget that raises the income taxes on Americans who are committed to work, rather than collecting welfare.

To add insult to injury, the Republican budget proposal cuts job training assistance by 25 percent. This cut will make it more difficult for our youth and adults to receive the technical training and job assistance necessary to gain employment in a technology-driven, global marketplace. Without job training and education programs, displaced, first-time, and entry-level workers will be relegated to low-wage, low-skill service sector jobs with no chance for economic or educational advancement. Has any consideration been given to the impact of a 25-percent cut in job education and training on long-term productivity and prosperity or on blue-collar families and their communities? I don't think so. These cuts will deprive workers of educational opportunities which could increase their earning power and productivity, along with the productivity and prosperity of businesses and the country. A rising tide lifts all boats, but only if the boats are seaworthy.

Mr. President, the budget plan also calls for the repeal of the Davis-Bacon Act. Repeal of Davis-Bacon would jeopardize the provision of fair, prevailing wages and labor standards on construction projects. For over six decades, the Davis-Bacon Act has assured local construction workers and contractors a fair opportunity to bid competitively on Federal construction projects. I believe dismantling the act would adversely impact local workers and contractors, and as a consequence, reduce the quality of construction on Federal projects.

In addition, Davis-Bacon ensures that workers on low-skill, low-wage jobs can participate in training programs to improve their skills and qualifications for better paying positions. Repeal of the law would remove most incentives for contractors to provide these workers such training opportunities.

Programs and agencies that promote safe and healthy working conditions and procedures also face drastic cuts. The Occupational Health and Safety Administration and other workplace safety agencies face a 50-percent reduction in funds which are necessary to ensure a safe working environment for working men and women.

Mr. President, the Republican budget dismantles the safety net for millions of working Americans and eliminates or cuts programs that are investments for a brighter, more competitive, and prosperous future for American families and our country. It is nothing more than a promise of a golden parachute for our wealthy.

TARGETING THE POOR UNDER THE GOP BUDGET RESOLUTION

Mr. BYRD. Mr. President, the Senate, in debate on the Fiscal Year 1996 Concurrent Resolution on the Budget, is in the process of considering many necessary spending reductions to achieve a balanced budget by the year 2002. There is a consensus in the Senate—on both sides of the aisle—on the need to balance the budget, and this Senator is committed to eliminating the Federal deficit. However, as expected, there exists much less unanimity on the appropriate spending cuts for reaching the goal of a balanced budget.

As approved by the Budget Committee, the Budget Resolution would reduce funding for the earned income tax credit (EITC) by $21 billion over the next 7 years. Senator BRADLEY has proposed an amendment to the Budget Resolution that would restore $16.9 billion in funding for the EITC. Senator BRADLEY would fund this restoration of the EITC with money earmarked by the Budget Committee for a future tax cut. In essence, Senator BRADLEY's amendment seeks to repeal a tax increase on America's working, low-income families by reducing a future tax cut that—if similar to the House-passed tax-cut measure—would primarily benefit upper-income families. A future tax cut is promised in the Budget Resolution if the ''fiscal dividend'' from deficit reduction is scored by the Congressional Budget Office.

Mr. President, it is important that the Senate consider the primary beneficiaries of the EITC, which is a refundable Federal income tax credit created in 1975 to supplement the earnings of low-income workers. The EITC primarily benefits low-income, working families—those with incomes below $28,000—with one or more children. In light of the upcoming debate on welfare reform, can we in the United States Senate expect to provide viable alternatives for families receiving welfare benefits if we do not reward work for low-income families? The EITC does exactly that. It rewards work.

Critics of the EITC have pointed out that the program is subject to fraud and that it is too expensive. In response to these and other concerns, President Clinton included two legislative proposals in his Fiscal Year 1996 Budget that seek to reduce the cost of the EITC. First, the President proposed denying the tax credit to otherwise eligible recipients if they have substantial investment income. Earlier this year, the Senate approved and the President signed legislation (Public Law 104–7) that addressed this problem. Secondly, the President proposed requiring a valid Social Security number for all EITC recipients. The Budget Resolution includes the President's proposal and I support it. I do not support, however, the tradeoff proposed in the Budget Resolution that cuts the EITC over the next 7 years to pay for a future tax reduction for the wealthiest

in our society. It is interesting, even tendentious, that the only tax expenditure targeted by the Republican Budget Resolution is a program that benefits our Nation's low-income, working families. The Joint Committee on Taxation estimates the total cost of the more than 120 tax expenditures to be $453.0 billion for Fiscal Year 1995. The EITC, by comparison, will cost approximately $18.6 billion this year.

Mr. President, the Administration has estimated that a total of 12,200,000 working taxpayers in the United States receive benefits from the EITC. In West Virginia alone, an estimated 101,229 families received approximately $99,323,000 in EITC benefits in 1994. That represents 14.6 percent of all West Virginia tax filers. As an elected representative of the people of West Virginia, I support the Bradley amendment because it seeks to repeal the effective tax increase on low-income working families by reducing the Republican-promised tax cut for the wealthiest in our society.

The PRESIDING OFFICER. Who yields the floor?

Mr. BRADLEY. Mr. President, how much time is remaining on my time?

The PRESIDING OFFICER. The Senator has 12 minutes.

Mr. BRADLEY. Mr. President, I yield 7 minutes to the distinguished Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 7 minutes.

Mr. REID. Mr. President, the Budget Committee's mark would in effect raise taxes by some $21 billion for people who make less than $28,000 a year. That is a fact. About 7.8 million people who would benefit from this program, and their children, would be affected. Families with two or more children would be the hardest hit by the proposal that is coming from the other side of the aisle. Under the Budget Committee mark that we received, this would result in a tax increase for over 12 million Americans.

As the senior Senator of Nevada, I am concerned what effect this tax increase would have on the State of Nevada. The increase in taxes would affect almost 100,000 people who live in the State of Nevada. Nevada is a State whose large numbers of people are employed in the service industry. It would have a tremendous impact on them.

Over the next 7 years, these families in Nevada can expect to pay over $100 billion more in taxes because of this policy. This results in a tax of about $1,500 more per family. It would increase the taxes of families with children, it would result in a dramatic increase in annual taxes of $250.

This tax increase is being carried out for one purpose. That is to produce the crown jewel in the so called Contract With America. An enormous tax break for the wealthiest of this country courtesy of an enormous tax increase on working Americans.

In the budget proposal we are now debating, the tax cut is camouflaged. In fact, it took the press a few days to pick up the fact that there was a $170 billion earmark in this budget proposal that could only go to the Finance Committee and could only be used for tax cuts. This is not a fiscally sensible policy and it is not morally right either.

There has been some talk about fraud. It is really too bad we are talking about fraud as it relates to the poorest people who benefit from our tax policies. Why are we picking on people who are working, making under $28,000 a year?

I think we should make sure there is no fraud or abuse in this program. There is no question about it. But why do we not look at some of the other problems we have. They are too numerous to mention, but let me talk about 73 percent of foreign corporations who do business in America that pay no taxes—none. We are losing tens of billions of dollars a year because they are not paying their fair share. Why do we not talk about doing something about that?

I think it is important we talk about policies and how they affect individual human beings. We talk about numbers but they become just statistics. What would this do to people in the State of Nevada? Let us take, for example, a woman by the name of Denise Mayfield. She is a single mother with four children. She lives in Las Vegas. She began working at a program called Head Start in Las Vegas in 1985 as a teacher's aid at the lowest possible salary, minimum wage.

She is now director of that program. Before she worked at Head Start she worked at the YWCA, and received welfare—Aid to Families With Dependent Children. This year, 1994, she received an earned-income tax credit of $1,530.

She used this money to buy a washing machine for her family and clothes for her four children. That does not sound too unreasonable to me.

Kanna White is a single mother, has one daughter, and also lives in Las Vegas, is going to school, has a full-time job, and she is working toward a degree in child development. She received $1,000 this year in earned income. She is using some of this money to pay for summer day care services. This earned income allows her to pay her bills on time and to do things that her daughter can now do that other families take for granted.

Kyle Estrada lives in Henderson, NV, and has three young children. She teaches parenting skills and job preparation skills at the Head Start Program. She has health coverage for herself, but like many Americans, is underinsured. She has no insurance for her children. She has three. She received a $1,300 earned income tax credit in 1994. She has used this money to cover her rent. This program, she said, has kept her off welfare. How much money did she get from the earned income tax credit? She got $1300. She would get this much perhaps in 2 months if she went on AFDC. But she chose to continue working, like millions of Americans have done and thousands of Nevadans have done—to continue working rather than going on welfare. That was the purpose of this program. It is working well.

I conclude by saying that these three people are just a few of the thousands in Nevada of hard-working people who would rather work and support their families than go on welfare.

This is an example of three people in Nevada who are representative of tens of millions of people in America who are now working instead of being on welfare. We need to continue this program.

For me, this illustration represents the difference of philosophy between this side of the aisle and those on the other side of the aisle. We do not live in a Darwinian society. We cannot expect all Americans to succeed and make millions, like Bill Gates in the computer business or Forrest Mars in the candy business. They are good, there is no question about it. I applaud them for being entrepreneurial billionaires. But they were also a little lucky. Not everyone can be like them. We cannot expect everyone to be like Bill Gates or Forrest Mars. But we can expect everybody to continue to try.

That is what earned income is all about. On the other side of the aisle, they lecture about the need to eliminate handouts. What we do is do something to eliminate handouts.

Mr. President, earned income reflects the Democratic philosophy because it involves giving a hand-up, not a hand out.

It is unfair to raise taxes on 12 million hard-working Americans, and that is what this budget proposal would do.

I think this amendment should be adopted in a bipartisan fashion.

Mr. BRADLEY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Jersey has 4½ minutes left.

Mr. BRADLEY. I ask the distinguished Senator from Oklahoma, is it his intention to offer the amendment at the conclusion of all time on this amendment?

Mr. NICKLES. The Senator is correct.

Mr. BRADLEY. At which point there would be, under the rules, an hour of debate on the second-degree amendment; is that correct?

The PRESIDING OFFICER (Mr. INHOFE). That is correct.

Mr. BRADLEY. It does pertain to the earned income tax credit?

Mr. NICKLES. That is correct.

Mr. BRADLEY. Mr. President, other speakers will be able to speak in that half hour. I would simply like to make a few points in the remaining minutes we have before this amendment will come to the point of second degree.

First, the argument that we are having is that there is an explosion in this program, that this program has exploded, says the opponent of this

amendment. Do you know why it has exploded? It has exploded because in 1975, if you earned over $8,000, you could not get this benefit. You could not get any tax relief from this. Now you can earn up to $28,000. There are millions more Americans that are now eligible for this tax cut. There are millions of Americans eligible for the tax cut. And, indeed, we have broadened it, as the distinguished Senator from Oklahoma has pointed out, from a few hundred dollars in the mid-1980's to $2,500 today, heading up to $3,000.

So it is a bigger tax cut. So lo and behold, a ray of insight, a stroke of wisdom; if you give a bigger tax cut to more people, it will cost more money. That is the explosion that the Senator is talking about. I thought giving tax cuts was a good idea. That is all we have heard from the other side. We want a tax cut, a tax cut, a tax cut. Here is a tax cut. But no. For families earning under $28,000 a year, we want a tax increase. Oh no, no, no, they say. They do not pay any income tax.

Just for the record, 48 percent of the people who receive the earned income credit with children pay income tax; just for the record, the facts. But that is not the point. The point is the earned income credit is meant to offset not only income tax but other taxes, such as Social Security tax, and also the loss of certain benefits as you earn more money so that you are not pushed farther down the ladder.

So the fact of the matter is that this is a significant tax cut. It offsets not only income tax, if you pay income tax, and 48 percent of the families with children who are eligible for this do, but it offsets the Social Security tax. That is the cruelest tax on families, and it offsets the loss of certain benefits as you earn more income going up the scale.

So there is no dispute that under the proposal before us on the other side, that families earning under $28,000 a year will pay more in taxes. They will pay more on the Social Security taxes that they do not have offset with this, or they will pay more in income taxes.

Let us make a point about the Senator's data. ''Oh, what a terrible error rate; oh, what a terrible fraud, a waste.'' Of course, all of his numbers are from 1988. Well, a few things have happened since 1988 that tightened this program up. In fact, many things have happened since 1988.

For example, we repealed the supplemental credit for health insurance. We repealed the supplemental credit for children under the age of 1. We denied it to nonresident aliens. We denied it to anybody who is a prisoner. We required a taxpayer identification number. The Department of Defense is required to report both the IRS and the military personnel nontaxable earned income credit paid.

We also said if you have investment income over $2,500 you do not get it. We said that now you have to have a Social Security number provided for children, as well as adults, and on and on.

We have made major steps to correct this. This is not the time to increase taxes on working families.

I am really surprised that that is the position, inconsistent as it is with the espousal of the other insight.

The PRESIDING OFFICER. All of the time of the proponents has expired.

Mr. NICKLES. Mr. President, how much time remains?

The PRESIDING OFFICER. There are 31 minutes remaining.

Mr. NICKLES. It will be my intention to yield the balance of my time as soon as we have our amendment ready.

I continue to hear the proponents of this amendment say that our efforts to reduce the growth rate of EITC is a tax increase on working poor. I want to say that is flatly wrong. Eighty percent of the money in this program is going to people in lump sum, cash payments.

My friend from Nevada gave some excellent examples of people who qualified for the credit. I heard him say that one person received $1,000, and another received $1,200. Under the assumptions in this budget resolution, they could receive more than they received last year.

Let me repeat that. Under our proposal, they could receive more than they received last year. No one's payment, if they received an earned income tax credit and their income was the same, would be less. We did not roll back the program. We did not lower the credit or income eligibility amounts.

Again, here are the growth rates of this program, and it has exploded. For its first 10 years, the EITC cost less than $2 or $3 billion. Now the program has outlays of over $20 billion in the last few years. Even under our proposal, it continues to increase about $1 billion per year.

Granted, that is about a 3-percent growth instead of a growth rate that was at 20 and 40 and 55 and 60 percent. So it grows a lot more slowly.

I am putting all these tables into the RECORD. People right now, in 1995, can receive a $3,110 lump sum; 99 percent of the people who qualify for this receive the benefit in a lump sum.

Now, my colleagues call this a tax increase, even though next year we would give them slightly more $3,110. We say next year the maximum amount under our proposal would be more than that but it would be only slightly more than that. My colleagues on the other side say, well, wait a minute, next year we want to increase that to $3,500, and in a few years we want to take it to $4,000. We are saying that, no, we are going to be more conservative; we are going to increase it to $3,560. So instead of giving somebody $4,000, we are going to say we will give you $3,560. Every year we are going to give you more than last year under our proposal, but our colleagues are calling this a tax increase.

I disagree. The handouts will be a little less. The cash payments will be a little less under our proposal. They will be more than last year, but they will not continue to grow at this unaffordable rate. We cannot afford this. Our Government cannot afford it.

And again I was surprised to find that the cost of this program now exceeds the Aid to Families with Dependent Children, the largest cash welfare benefit program in our Nation's history.

The earned-income tax credit is a great name, but it does not fit this program. This is a negative income tax program. I have heard my colleagues say this affects anybody who makes under $26,000—I will put tables in the RECORD on this subject. In 1995, the figure is $26,673. That is the maximum amount of income you can make and still receive some EITC. But that figure increases. Under current law, by the year 2000, you can receive EITC if you make up to $32,596. Under the so-called radical assumptions in this budget, you can receive EITC if you make up to $31,656.

So the EITC still goes to the same people, but we just have just slowed the growth of the maximum credit amount.

What we have done, in my opinion, is respond to the studies of GAO. I heard my colleague say it was an old study. The IRS in 1994, in a 2-week study on electronic returns, said that 29 percent of those audited received too much earned income credit. That is a total of $358 million. They said 13 percent were judged to have intentional errors, outright fraud. That was $183 million.

That was just a short, little 2-week study. In 1988, another tax compliance measure showed that 42 percent of EITC recipients received too large a credit and 32 percent were not able to show they were entitled to any credit. That was when the program was much smaller, and that was when the incentives to cheat were much less. Now we have tripled the amount of money that individuals can receive. Now people have found out that you can get a big check if you make $12,000—and it does not make any difference if you made $12,000 working 40 hours a week or if you made $12,000 working 100 hours a year. Maybe for some reason you are working part time, whatever. You can qualify for this benefit and be able to receive $3,110 dollars. And when people find that out, there is a lot of incentive to cheat a little bit. In the past people cheated to reduce their tax liability, and now we find that people have other incentives; if you cheat a little bit now, we are going to give you a check, and the check is not just a few hundred dollars as this program used to be. It is not just $953 as it was in 1990. Now it is $3,110 and growing to $4,068.

We think that is too rapid a growth. We think this program is too fraudulent. We think we should curtail the growth of that program. I tell my colleague from New Jersey, I will share with him a copy of the second-degree amendment I have. We are trying to

make sure it conforms with his amendment, and I will give that to him in just a moment.

I reserve the remainder of my time.

I suggest the absence of a quorum.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Will the Senator withhold the request?

How much time remains?

Mr. NICKLES. I withhold.

Mr. DOMENICI. I reclaim the time on our side.

The PRESIDING OFFICER. The Senator has 24 minutes 10 seconds.

Mr. DOMENICI. Mr. President, let me just recap and then I would like a quorum call charged to our side where I can talk with Senator NICKLES for a minute.

Mr. BRADLEY. Will the Senator yield just for a question?

Mr. DOMENICI. Sure.

Mr. BRADLEY. If the Senator still has time that will be unused, I have people on my side who do want to use time, and while Senators are in conference, does the Senator mind if they speak?

Mr. DOMENICI. Mr. President, I say to the Senator, I do not think I can do that because we are running up against a real shortage of overall time to get a lot of amendments in. We both get charged 50–50, or we benefit 50–50 on that time. I do not get the benefit of the whole 20 minutes. That side gets 10 of it in the overall, but I do not think I would do that yet.

Mr. EXON. Will the Senator yield?

Mr. DOMENICI. Yes.

Mr. EXON. Following up on this, it is pretty obvious we are coming down to crunch time. I am just going to make the suggestion now without asking for any commitment now of the chairman of the Budget Committee. It seems to me that after the Gramm amendment is offered, which I understand will be the next one up—and I am not trying to limit debate on that—I would suggest that we at least consider getting a unanimous-consent agreement on both sides that after the Gramm amendment all amendments to follow would be limited to some timeframe, I do not know, half an hour, 15 minutes, equally divided, or something of that nature, and possibly eliminate second-degree amendments. Otherwise, we are going to run into a real train wreck tomorrow about noon.

I just make the suggestion if we could consider contemplating after the Gramm amendment to enter into a unanimous-consent agreement on all amendments that would follow.

Mr. DOMENICI. Mr. President, in the Senator's usual way of helping things along, the Senator has made a good suggestion. Clearly, I cannot agree to that at this point,

Mr. EXON. I cannot either. I have not cleared it on this side. But we have to provide some leadership if we are going to allow any time at all to the whole stack of amendments that the Senator and I know are waiting on each side.

Mr. DOMENICI. The Senator asked that we contemplate it and we will contemplate it.

Mr. EXON. I thank the Senator.

Mr. DOMENICI. We are spending a little time, Mr. President, incidentally, trying to find out what the President's plan is. I saw in the paper today he may have a plan. I have never heard of it until I read it in the Post today. I do not expect any Democrat on the Senator's side has seen it yet. But in any event, we are working a little bit here to see if we can find out what that might be.

I just would like to recap this argument and then I will yield the time back to Senator NICKLES after a brief discussion with him.

Let me talk about this earned income tax credit this way. We would seek to return the earned income tax credit—that is the name it is given so that is the name I will use—to its original intention. Its original intention was that it should go to families with children, so it was not just an earned income tax credit. It was a family earned income tax credit. We return it to that: working families are entitled to this tax rebate in some cases or this check from the Federal Government in most cases.

The concept was a good one. It still is a good one. We have expanded it. We think it should be returned to the concept that came about when President Reagan was in office, about which I have been quoted in the Chamber as being a strong proponent. That is for working families to get an incentive to work instead of quitting work.

Now, what will happen if the assumptions in the budget resolution are ultimately adopted—families with one qualifying child in 1995, the maximum credit amount—that is, the check they get back—$2,094. That is the maximum. In 2002, it will be $2,630. That is a plus change, a positive change of $536. The maximum income eligibility for that family with one qualifying child is $24,396 now.

It will increase to $30,659. That is an increase in maximum income eligibility of $6,263.

Now let me just move to families with two or more qualifying children, remembering we are returning it to families, as was originally intended. So that single wage earners who are not earning sufficient money do not get a tax check back from the Government. This is intended for working families.

For working families with two or more children, the maximum credit today is $3,110. In the year 2002, the tax credit will be $3,806, an increase of $696, almost $700. The maximum eligibility, Mr. President, how much money you can earn—and this all has to be earned income—$26,673 in 1995; $33,845, for an increase of $7,172, in the year 2002.

Frankly, there are some who might say that is not enough. There are some who would say it should be more because current law says it should be more. Well, we passed a law and now we find ourselves with a new responsibility and it is a very simple responsibility. And it is to balance the budget of the United States. That is the responsibility.

If we were saying this good program should stop, we should take it out of the budget, cause it to cease and desist, then obviously we would be saying to working families, ''We no longer want to give you an incentive to stay at work.'' We are not saying that. We are saying this is more like what we can afford. We think it is a pretty fair increase, not a cut, an increase.

Now, just to put it in perspective that this is not just a little program that indeed we came upon and Republicans helped put it in place, a President who supported it named Ronald Reagan, to say that it is not a significant program even after we asked for a little restraint in getting at a little bit or a lot of fraud—which I did not even mention, the Senator from Oklahoma did—this earned income tax credit will be a $193 billion program for the years 1996 through 2002.

We will spend, in taxpayers' dollars—that is, we will collect money from taxpayers—we will give checks back to the working poor families in the amount of $193 billion between 1996 and 2002; hardly abolishing a program; hardly taking away the basic concept of a program; hardly increasing anybody's income taxes.

It is taking income taxes and saying we want to help people to the tune of $193 billion in checks we will give back. Those are the numbers when we are finished, I say to my friend.

The Senator would like it to be $230 billion.

Mr. BRADLEY. Will the Senator yield?

Mr. DOMENICI. I am happy to yield.

Mr. BRADLEY. I do not dispute the numbers, but to argue that this is not a tax increase is a little bit like arguing that when Ronald Reagan wanted to phase in tax cuts over 3 years, if we did not phase in the third 10 percent of the tax cut, that would not have resulted in higher taxes.

Mr. DOMENICI. Does the Senator have a question?

Mr. BRADLEY. The question is, does the Senator dispute that under the proposal offered in the budget resolution working families will pay more in taxes? Does he deny that working Americans would end up paying more income tax or have less relief for Social Security taxes than under the amendment that is offered by the Senator from New Jersey?

Mr. DOMENICI. I say to the Senator, if I might respond, I do not agree at all. We have decided in our wisdom to say we are going to give money back to certain American taxpayers. We are going to give them a check. We did not equate that with income taxes. We just had a whole litany of things saying we just would like to relieve your burden.

You choose to call that raising the income tax. I choose to say that we are

not going to give a single individual a paycheck from other taxpayers of the United States because he does not have a family. We are not going to give him a $500 check.

We are just saying this is for working families. It is an idea that we put some flesh into the law. Now today you are saying if we are not going to give it to that single person, we are taking a paycheck away from him. But it really is not income taxes rebated to him that he already paid. It is other people's income taxes that we collected and give to him in a paycheck. You can call it what you like. That is my description of it as best I understand the program.

So we choose to do that. For those who want to spend more and give that person I just described either $300 or $400 or $500, fine. We choose to say the working family continues to get the money. And we just gave the numbers.

And for those who say it goes down, the number that we intend, if the Finance Committee passes it—and that is the irony; they may not even pass it. The Senator is on the Finance Committee. You may choose to do something else.

But we were compelled in the Budget Committee to tell you how we might get there, and this is one way we might get there.

Mr. BRADLEY. Will the Senator yield on that point?

Mr. DOMENICI. Yes.

Mr. BRADLEY. You do something else. You mean to equal the amount of revenues that the Finance Committee will be asked to raise under this proposal. You mean to raise other kinds of taxes as opposed to raise taxes on these working people. That is what you mean.

So, by the Senator's own admission, this is a tax increase. It is a requirement of the Finance Committee to raise taxes.

Mr. DOMENICI. Mr. President, that is not what I said. I say the Finance Committee has a lot of options, and they can choose to do this the way it is scheduled here or they can choose to do it a different way. That is in their hands.

We show one way to get to a balance. And this is part of the one way to get to a balance.

Now, frankly, I do not believe the American people would believe that what we have talked about today means we are raising taxes. We have the prerogative and responsibility to change a program that is rampant with fraud that we find we cannot now afford, but we want to keep its basic concept.

And for those who run to the floor on the other side, who say, ''Well, you are cutting the millionaire's tax,'' that is not true, either.

The budget resolution before us says it is the sense of the Senate—it passed by every single vote of the Budget Committee except one—that any tax cuts, if they occur, will go 90 percent to people with $100,000 worth of income or less. So speaking of red herrings, that is one. That is all we hear.

Frankly, we just, every now and then, have to remind people they can take the budget resolution and read it and they will find it right in there. Senators BOXER and BROWN were the proponents of it and it passed overwhelmingly.

Now, Mr. President, we have some time left.

Mr. President, I suggest the absence of a quorum on our time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. 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. DOMENICI. Mr. President, I yield the remaining time to Senator NICKLES.

Mr. NICKLES. Mr. President, I have a couple comments I want to clarify for my friend from New Jersey, I was hoping we could get some time reduction. I understand that he was not able to get that. My guess is that a point of order will be made when time expires on this side.

A couple points on this amendment. Right now we are spending a total, for the so-called earned income tax credit of $25.3 billion per year. Under the budget proposal we have before us, if you add up the next 7 years, that total will be $204 billion. A freeze would be $176 billion. So we are spending about $30 billion more than a freeze. So the total amount of money that we spend on this cash payment program still goes up. Most of the beneficiaries receive a lump sum. I am tired of hearing people talk about tax cuts and tax increases. The EITC is primarily a cash payment, a lump-sum cash payment to a lot of individuals, and the cost of the program is going up every year. It goes up even under our proposal. I wanted to make that perfectly clear.

I also want to inform people that if they received an earned income tax credit last year of $3,110, next year they will receive, even if the Finance Committee passed this as we proposed, a little more. It will not continue to escalate as rapidly as it has. It cannot continue to escalate as rapidly as it has.

I might mention, if we do nothing, if we follow the guidelines of some people, the status-quo type budgets as they propose, this entitlement program will continue to explode, and it certainly has exploded. We will be spending $226 billion over the next several years.

How can people call a program where 80 percent of the money is handed out in cash payments, where 99 percent of the benefits are received in an annual lump-sum payment, a tax cut.

I might mention, I am going to put in the RECORD a chart for the earned income tax credit for two or more children. I also have one for persons with one child. The figures I was using before were two or more children. When a lot of people find out they are eligible for this, they are going to start filing. A lot of people are going to start working to have their income come in right on that level.

You say, how can you do that? I tell you, in the private sector, I used to hire some people who were retired from other companies, and they wanted to work just enough so they could make a little money before they started losing Social Security. So people can adjust their incomes; they can be paid just about that much. That happens.

Or they can work part time until they make this amount of money, and you do not have to work 2,000 hours to receive the maximum credit. There is no hour limitation. As a matter of fact, the average number of hours people worked in this program is 1,300. That is about 24 hours a week. That is not 40 hours a week. You could actually be a lobbyist or something and work 100 hours in a year, and if you happen to make about the right amount of income, you could receive a $3,100 check from Uncle Sam.

We are talking about reducing the growth of these checks. We are not even reducing the amount, but we are saying they will not be growing as fast. I think that is important. Some people call that a tax increase. It means we are going to write smaller checks, these checks will not be growing as fast. It is not affecting anyone's tax cuts, tax rebates, or anything like that. Most of these people are receiving cash payments, so we are trying to curtail a program that has been growing seriously out of control.

Mr. BRADLEY. Will the Senator yield on that point?

Mr. NICKLES. Not quite yet. The growth in this program has been unsustainable. The people advocating this amendment want that growth to continue. We cannot afford it. If you are going to balance the budget, you are going to curtail the growth of entitlement programs. This is an entitlement program. This is one of the fastest growing entitlement program.

I mentioned before the cost of the program totally exceeds the cost to Aid to Families with Dependent Children. Aid to Families with Dependent Children in 1995 cost $18 billion. This program in 1995 cost us $25.3 billion. It is past AFDC big time. AFDC provides cash payments; this program provides cash payments. This program provides cash payments for a family with two children of $3,110. With one child, it provides for a maximum credit of $2,094. So you get an extra $1,000 if you have two or more children.

Some people who are talking about changing the welfare program say they want to take some of the incentives away from having more children. This program is a big incentive for people to say, ''We want our income to be at this

particular level so we can get a nice big check from Uncle Sam.''

I have also found that in some cases, 20, 30, maybe even 40 percent of the people living in a particular area could be eligible for this cash payment program. Then you start finding con artists who will sign people up who do not pay taxes and have not filed returns in the past. They will go on a recruiting trip and encourage people to have their income fall into this category, file an electronic return and maybe split it with them because they weren't going to do a return in the first place.

There has been a lot of fraud in this program. I am quoting these figures from a recent GAO report. The most recent study shows 42 percent of EITC recipients receive too large a credit, and 32 percent were not able to show they were entitled to any credit—wow, 32 percent, the study showed, were not entitled to any credit. And then in 1994, the IRS did a 2-week study on electronic returns and showed 29 percent received too much EITC and 13 percent——

Mr. BRADLEY. Will the Senator yield on that point?

Mr. NICKLES. And 13 percent were judged to have intentional errors. That is a fraudulent program.

I will tell my colleagues, Senator DOMENICI wants to save an hour of time so that we can consider more amendments. I do not blame him. He has a lot of amendments pending.

I will tell my colleagues, I had hoped to offer a Sense-of-the-Senate amendment in the second-degree to tell the Finance Committee, ''Reform this program and in the process we think you can save some money.''

This happens to be a program that needs to have some waste, fraud, and abuse taken out of it. That was the essence of the Sense-of-the-Senate amendment I had intended to offer, saying to the Finance Committee, ''Preserve this program in a way that you eliminate the waste and the abuse and the fraud that we see now and as reported by the GAO.''

That is what we should be doing. I think the Finance Committee can do it. GAO says one-third of this program is fraudulent. We did not even cut it that much. We maybe should have frozen the program until we eliminated the fraud. We did not do that. We allowed the program to grow.

I urge my colleagues to vote against the amendment of the Senator from New Jersey. I will be happy to yield for a question.

Mr. BRADLEY. The Senator said one-third fraudulent. Could the Senator justify that? Could he give us some documentation that says one-third fraud?

Mr. NICKLES. Will the Senator hold a second?

Mr. DOMENICI. Mr. President, could I make a request before he answers the question? How much time do we have remaining?

The PRESIDING OFFICER. One minute fifty-two seconds.

Mr. DOMENICI. Mr. President, I say to Senator EXON, I have discussed with Senator NICKLES, and the Senator from Nebraska has discussed with Senator BRADLEY an arrangement that we might make. I am shortly going to make a point of order, and I understand either Senator EXON or Senator BRADLEY will move to waive it.

I ask unanimous consent that when I make the point of order and Senator EXON or Senator BRADLEY seeks to waive it, that the time be limited on the motion to waive to 10 minutes a side.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. There is no objection on this side, and just so I understand what the Senator is suggesting, the Senator from New Mexico will move to waive, we will object to that and then we will limit debate to 10 minutes on this side and 10 minutes on that side on that motion to waive; is that correct?

Mr. DOMENICI. The Senator from Nebraska or the Senator from New Jersey will be making the motion to waive. The Senator is correct.

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

Mr. DOMENICI. Mr. President, I yield back the remainder of our time, which is a minute and something.

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

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 pending Bradley amendment.

The PRESIDING OFFICER. Under the previous order, the debate is 20 minutes evenly divided.

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order to ask for a rollcall vote on the motion to waive at this time.

The PRESIDING OFFICER. The motion to waive is pending.

Mr. DOMENICI. 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.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. I ask unanimous consent that the motion to waive with respect to the Bradley amendment be set aside after the debate and that the vote occur at a time to be determined by the two leaders, which is the way we have done the other ones.

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

Mr. DOMENICI. I will yield our 10 minutes to Senator NICKLES.

Mr. EXON. I yield the 10 minutes on our side to be controlled by the Senator from New Jersey.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. The distinguished Senator from Oklahoma says this is not a tax cut that I am trying to save, but, instead, that this is a spending program. And he continually refers to AFDC. Then why are you telling the Finance Committee to raise an additional $20 billion? In effect, the budget resolution tells the Finance Committee to increase revenues by $20 billion—that is what this does, by $20 billion. Now, the Senator thinks he will do it by increasing taxes on families with under $28,000 in income. The Finance Committee might choose to do something else. But make no mistake, this results in increased taxes.

Mr. NICKLES. Will the Senator yield?

Mr. BRADLEY. Certainly, on your time.

Mr. NICKLES. I will be brief. I would like to point out to my colleague that I think he is totally incorrect. The revenue numbers in our budget are the CBO baseline revenues. We did not change revenues. We did not direct the Finance Committee to change revenues. They have to reduce outlays. We do not raise revenues, we reduce outlays.

Mr. BRADLEY. The effect of this will be to increase either the offset for Social Security taxes or, for 48 percent of the people receiving the earned income tax credit, income tax increases. That increases net revenues.

I yield 2 minutes to the distinguished Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I rise to strongly support the Bradley amendment. It is amazing to me that the Budget Committee could review the totality of tax expenditures, $480 billion, and yet has selected the one area that is for working people, working men and women. Who are the people that are going to benefit from the earned income tax credit? They are the construction workers, the secretaries, the janitors, the hard-working backbone of this country and its economy. They have been singled out.

The Budget Committee could have said we are going to take care of the billionaires' tax loophole, that benefits people who reject their citizenship in order to take their bounty and go to another country. But oh, no; they didn't go after the billionaires.

You do not get the earned income tax credit unless you work. We are trying to reward work and particularly, the work of men and women that have children. They are the group of Americans that are falling furthest behind over the period of the last 15 years. This is the one program that helps and assists them.

I do not know what it is about the Budget Committee that wants to single out working men and women who are making less than $28,000 a year to raise their taxes. They are the ones who are going to be targeted by this budget resolution—having their sons and daughters that go to college paying more in

terms of the guaranteed loan programs. They are the ones whose kids are not going to have the summer jobs. They are the ones who are going to find out that the support and assistance for school-aged children that go to the public schools have been cut, that they are not going to get the Government's help.

What in the world is it about the Republicans to want to put that kind of burden on the working families of this country? That is wrong.

The Bradley amendment addresses that, and it deserves our support. The Budget Committee should have found, out of $480 billion, some other way to make up that difference without targeting the working families in this country.

Mr. BRADLEY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 6½ minutes remaining.

Mr. BRADLEY. I yield 3 minutes to the distinguished Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I rise in support of this amendment to restore a portion of the cuts to the earned income tax credit envisioned by this budget.

This program is such a great example of the kinds of public policies we should be pursuing. We have spent countless hours in this Chamber trying to figure out ways to get people to work and get them off the welfare rolls. That debate is sure to continue. But in the meantime, our Tax Code always contains the incentive for the working poor in this country to keep on working. It helps these people stay above the poverty line and off the welfare rolls which is just where each and every one of us in this Chamber would like them to be. And as if all of that were not enough, in a time when Americans demand less Government, the EITC accomplishes all of this without a new Government agency, without an elaborate bureaucracy, without creating a new payroll for a new program.

I have made it clear that I believe the Senator from New Mexico has engaged in a noble and honest effort in presenting the budget we have before us today. While I do not agree with all of the priorities represented by the budget before us, I very much appreciate the effort and admire the bottom line. Which is why I am so puzzled by the EITC cuts. In the quest for a leaner, more efficient Government, I believe that cutting the EITC is an odd choice. The budget before us proposes to reduce the EITC by $13 billion by the year 2000 and by an additional $2 billion by the year 2002. These rollbacks in the program will come from repealing the final phase of the 1993 expansion of the EITC and the repeal of the EITC for workers without children.

In practical terms, this rollback of the EITC will mean an increased tax burden of $21 billion over the next 7 years on more than 12 million American households. In my home State of Connecticut alone, this would mean an average tax increase of $1,408 over 7 years on 67,660 working families. This increased tax burden on the very sector of the population that can least afford to sustain it, the working family, just does not make sense. It is a policy that takes us further from, not closer to, our goal of encouraging work and self-sufficiency.

The EITC encourages people to work toward a higher standard of living. Specifically, it supplements the earnings of eligible lower- and moderate-income workers and families with a Federal income tax credit that increases their disposable income. Families move off welfare dependence to full-time work because EITC makes work pay. Thus, parents who work full time are not forced to raise children in poverty.

And I know that one of the stated purposes of these cuts is to eliminate fraud in the EITC program. That is a noble goal but I am afraid, that like the news of Mark Twain's death, fraud in this program may be greatly exaggerated. The President has proposed denying the EITC credit to illegal aliens and I am pleased that the proposal before us incorporates that idea. It also makes sense to require a Social Security number in order to qualify for the credit. The IRS is making a good faith effort to ensure that this credit is going to the people who need it the most.

I also think it is wise to adopt the President's proposal to deny the EITC to otherwise eligible tax filers with interest and dividend income exceeding $2,500. If your investments are generating that much income, it is hard to argue that you really need the EITC. For that reason, I am pleased that we moved forward with this proposal as a way to offset part of the cost of reinstating the self-employed health insurance deduction.

Historically, the EITC has enjoyed bipartisan support. My colleagues on the other side of the aisle have had many positive things to say about the EITC. They have described the program as a key means of helping low-income workers with dependent children get off and stay off welfare and a great way to help low-income families with the cost of raising their children. It sends assistance to those in need; to those who work hard and yet struggle to make a living and provide for their children.

Jack Kemp, George Bush, and Ronald Reagan have all been strong advocates of the EITC. President Reagan described the EITC as ''The best anti-poverty, the best pro-family, the best job creation measure to come out of the Congress.''

The Republicans other budget proposals regarding the EITC are identical to those in the President's fiscal year 1996 budget. They include a proposal to roll back the EITC by denying the credit to illegal aliens, and the denial of the EITC to otherwise eligible tax filers whose interest and dividend income exceeds $2,500. I strongly support these two proposals.

First, I agree that with the President that compliance measures must be strengthened. A prerequisite to EITC eligibility should be the possession of a valid Social Security number. This would create a simple and efficient screening process which would allow the IRS to deny the credit in the absence of a valid Social Security number.

The Republicans second proposal to deny the EITC to eligible tax filers is another Clinton administration proposal. I agree with the President's position that taxpayers with $2,500 of taxable interest and dividends do not need the EITC. Indeed, this proposal has already been included in H.R. 831 to offset a portion of the cost of reinstating the income tax deduction for health insurance premiums paid by the self employed.

In closing I'd like to take a few moments to stress the emphasis that the EITC places on work. The EITC is a work incentive and by law it is only available to working families. If you are not working, you are not eligible for the EITC. It is just that simple. Additionally, for those in the lowest income levels, the EITC increases with each dollar of earnings. Therefore, if an individual in the eligible income bracket works longer hours, he will receive a larger EITC. This is tax fairness.

I urge my colleagues to vote against any rollbacks in the EITC by supporting this amendment.

Mr. President, the debate on this amendment is about priorities since this amendment does not affect the bottom line of this budget resolution. The amendment leaves intact the substantial, I would say, historic, feat of balancing the budget by the year 2002.

This amendment says we do not want the earned income tax credit funds cut. The reason is that this is a program that rewards work. It is a low-bureaucracy, low-overhead program. It has worked by rewarding work and it is a program that has traditionally enjoyed bipartisan support. The Democratic Leadership Council, which I am pleased to chair, has long supported this program as has former Presidents Reagan and Bush as well as Jack Kemp.

The budget before us has an impact on the program. It would reduce tax relief for 12 million American families by $21 billion. In my home State of Connecticut, this would mean a reduction in tax relief over the next 7 years of $1,400 for more than 67,000 working families. As a matter of priority, I do not want the bulk of these reductions.

Mr. President, the cost of this program has grown. But that is not because it is out of control. The cost of this program has grown because we in Congress have directed that it grow because we believe in this program.

My friend from Oklahoma says that the EITC is costing more annually than the AFDC. I say that is good

news. That means we are finally spending more to reward work than to reward those who do not work. I hope the gap between these two programs continues to grow as time goes by.

Mr. President, it is important to note here, finally, that the increase in the program in recent years is not by fraud and deviousness in the program, it is by congressional design and congressional intent. When the changes we made to the program in 1993 are fully phased in at the end of fiscal year 1996, this program, the EITC, will actually grow by a very modest rate of 4.5 percent a year.

So as a matter of priority, as a matter of sustaining a bipartisan consensus on supporting those who are poor and work and need our help and encouragement so they not go onto welfare, I support this amendment.

Finally, I would like to quote former President Reagan who described the EITC as ''the best antipoverty, the best profamily, the best job creation measure to come out of the Congress.'' That is absolutely right. That is why I support the amendment.

I yield the floor.

Mr. BRADLEY. How much time remains?

The PRESIDING OFFICER. Three minutes remain.

Mr. BRADLEY. I yield myself 2 minutes.

Mr. President, the earned income credit is called the earned income credit for a very specific reason. You do not get it unless you earn money. You do not get it as a gift. You get it because you work. You get it because you work and have earned money. You do not earn much money, but you do earn some money. And you also frequently are eligible for various benefits. As you earn more money, you lose those benefits. As you earn more money, you pay more Social Security.

What the earned income tax credit is supposed to do is to give that working family that earns money some break for the Social Security and other taxes they pay and for the benefits that they lose as they earn more money. It is a very simple concept in terms of the Social Security tax. It could have the same impact as a tax credit against Social Security. But we do not have a credit against Social Security taxes. The earned income credit is essentially giving people who pay significant Social Security taxes some of that back. So it is clearly a reduction of an overall Federal tax burden, both income tax and Social Security tax. While people who are at $16,000 or $17,000 a year do not pay in a lot of income tax, they pay in over $2,000 in Social Security taxes. With the earned-income tax credit, because they work, they get a break for those Social Security taxes.

They get a refund from the Government so they pay less Social Security tax, in reality.

Mr. NICKLES. Mr. President, I want to try and clarify some of the statements that have been made.

In the first place, I will repeat what I told Senator BRADLEY. This budget resolution does not direct the Finance Committee not to raise taxes. We do not have a tax increase in this budget.

I know many of my colleagues on the other side want to have a tax increase. We do not have a tax increase. This says reduce the outlays.

My colleague from Connecticut said we are saving $21 billion. We reduced the rate of growth in this program. That is our direction or suggestion to the Finance Committee to reduce the growth by $21 billion over 7 years. If we froze the program, we would have $50 billion in savings.

Frankly, I think we probably should freeze it because it is so rampant with abuse. It is so fraudulent. There are so many people taking advantage of this program. The more people find out about it the more they like it, especially if they find out that their neighbor or somebody else is taking advantage of it, and received a nice cash lump sum of $2,000 or $3,000.

Unfortunately, the amount of dollars are so significant more people will be filing fraudulent returns. That is what the IRS has told Congress. The IRS has made some interesting statements. They said 13 percent of returns they judge to have intentional errors. In other words, fraud. They said 29 percent, in a 1994 study, 29 percent received too much earned-income credit. Regarding illegal aliens, the IRS suspects that more than 160,000 receive earned-income credits in 1994.

I am afraid we spent a lot of money for GAO to do some homework for Congress, and then we do not pay any attention to their work. Maybe we should not in some cases. In this case, they have clearly shown this is a fraudulent program that needs to be reformed.

Some of our colleagues are saying, no, no, keep the status quo, keep going as usual. So what if 30-some percent have abused the program. So what if it went from a few billion dollars a year to a $30 billion program. Allow it to continue.

Mr. President, I do not think we can afford to. We can achieve every bit of the savings, and allow the program to go by eliminating the fraud in this program. If we do not, we ought to be ashamed of ourselves.

GAO says look at a wealth test. We enacted an EITC wealth test earlier this year, but its thresholds are too high. A person can have a lot of assets and receive a lot of income from those assets and they can still qualify for the earned-income credit. For hours of work, there is no minimum. People can work 100 hours and qualify for $3,000 benefit in this program. People do not have to work 2,000 hours. The average recipient last year worked, I think, 1,300 hours. Some people could work 100 hours and still receive it.

This program is set up for abuse. The GAO has done a pretty significant study. This is recent study, in March 1995. I encourage my colleagues to look at it. It is available. We paid for it. We should look at that information.

I know my colleagues on the other side supported this massive increase in 1993, and they are very proud of it. They have gone back and quoted Ronald Reagan who stated it was a good thing. However, the total cost of this program in 1980 was $2 billion; in 1986 it was still $2 billion.

This program did not grow very fast, initially. By 1988 it grew to $5.9 billion. Then its cost really exploded. I heard a couple of my colleagues say it is primarily for families, but in 1993 their tax bill opened the program up to people who do not have children.

Originally, as conceived by Senator Russell Long and others, the EITC was for families. Senator Long has written an op-ed piece saying he supported the earned-income program, but he said Congress went too far in 1993 when they expanded this program to apply to people without children. Originally, people had to have one or two kids to qualify for the program. Now you do not. Again, we make a lot more people eligible and we increase the amount of money they are eligible for.

In 1990, the maximum amount anybody could receive out of this program was $953. In 1995, the maximum that someone can receive with two kids is $3,110. In the year 2000, that maximum amount under current law will be $4,068. We have millions of people that are eligible. So we are saying, no, we do not think we can afford that. So we allow the maximum to increase every year but at much smaller levels. So we say by the year 2000 the maximum amount that someone could receive with two or more children would be $3,560, over $450 more than what they are receiving today, but not going all the way to $4,068.

Granted, the EITC is not growing as fast under our proposal. It should not because the program is so rampant with fraud and abuse. It is growing too fast. We need to curtail it. We need to have some containment on entitlement programs or we will never, ever, get to a balanced budget.

Then, Mr. President, I want to mention one other thing. That is the way our colleagues on the other side of the aisle want to pay for this. They will take it from the so-called reserve fund that we are setting aside, if we balance the budget, to give back to the American taxpayer.

This is about the third or the fourth amendment, and I am sure we will receive more, where our colleagues on the other side of the aisle are saying how they want to spend the so-called economic dividend. They want to spend it before we get there. That is, in a nutshell, the reason why the Democrats have never had balanced budgets. They want to spend it before we get it. They want to spend more than we take in. They are more popular spending money than taking it away.

When we call this program an earned-income tax credit, it makes people

think we are reducing taxes. We are not. This program is a negative income tax. We ought it call it what it is. It is a negative income tax.

George McGovern campaigned on a negative income tax in 1972, and now we have it in law. Perhaps it has maybe a better title, but for 80 percent of the people, it is a lump sum negative income tax. It is a cash payment. It is a cash payment that is growing a lot faster than AFDC.

We should be discussing this when we get into welfare reform. I am all for trying to create incentives to get people to work, but this is a lump sum payment that discourages work. There are a lot of people that might work just enough to maximize this payment, by either reporting income, or not reporting income.

We had some people on this case that might report income they did not receive so they could get into this level, and others might not report income that they received, cash or otherwise, so they could stay at this level.

I do not even want to get into the confusing stuff about the marginal tax rates this program creates, but we find people in the phase-out side of this program that will end up paying 80 percent or 90 percent of their additional, marginal income in taxes. Think about that. I do not want to get too confusing with facts, but they can have the highest marginal tax rate of anybody in America. And that is not fair, either.

That is a real disincentive to earn more income. I do not think we should have that.

The direction of the Finance Committee and the direction of this budget is to limit the growth of this program. It is growing too fast. It is out of control.

GAO says—not just Don NICKLES and Bill ROTH who had a hearing on this in the Governmental Affairs Committee—that the cost of this program is exploding. I compliment Senator ROTH for his efforts. We need to respond. The Finance Committee and Ways and Means Committee needs to respond. We need to get this program under control.

The PRESIDING OFFICER. The Senator from Oklahoma has 1 minute remaining, and 1 minute is remaining on the other side.

Mr. NICKLES. I reserve the balance of my time.

Mr. KENNEDY. Mr. President, I yield myself the 1 remaining minute.

Mr. President, let the Senate think about who we are talking about here. We are talking about Americans who are working. If they are making the minimum wage and if they are getting food stamps, and they are getting EITC, they are still below the poverty line. Still below the poverty line.

Now, that is what the issue is. Four trillion dollars in tax benefits or tax expenditures over the length of this measure, $4 trillion, will be accumulated. But the only place that the Republicans could find a place to collect money was $20 billion from these working families. If they are working full time for minimum wage, are getting food stamps, getting the EITC, these people still do not have enough, to bring up a family. And still they are trying to take that benefit away. It is wrong.

I hope the BRADLEY amendment will be successful.

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

Mr. EXON. Mr. President, has all time expired?

The PRESIDING OFFICER. The Senator from Oklahoma has 1 minute.

Mr. EXON. If I understand it correctly, we have finished debate and under the previous agreement we will have the vote on this at some succeeding time, is that correct?

The PRESIDING OFFICER. The Senator from Oklahoma has 1 remaining minute.

Mr. EXON. I thought the Senator has yielded back. He has not yielded back? I am sorry.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I will be brief. We have one minute remaining and we will be voting at a time designated by the two leaders.

It is vitally important we pass the budget. We have a chance for the first time in history to pass a budget that is going to call for a balanced budget. Many of us thought we should do that whether we passed a constitutional amendment to balance the budget or not. It is not possible to pass a balanced budget unless we curtail the growth of expensive programs. This program has been growing out of control. This program cost a few billion dollars a few years ago. It cost $25 billion this year. It will be costing $36 billion by the year 2002. We cannot continue that rate of growth. We have to slow it down.

Under this proposal it continues to grow about $1 billion a year, not as rapidly as proposed under current law. We cannot sustain current law growth. We cannot sustain 55 percent growth per year, so this is an effort to curtail it.

I urge my colleagues to vote against the amendment and I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, has all time has expired?

The PRESIDING OFFICER. All time has expired on both sides.

Mr. EXON. Mr. President, I am pleased to yield a maximum of 45 minutes to my great friend and colleague, the senior Senator from West Virginia, off the minority side's time allotted.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Nebraska, the ranking manager of the bill.

Mr. President, both Houses of Congress waited for weeks beyond the time when budget resolutions are normally brought before the House and Senate. In fact, as Senators are aware, section 301(a) of the Congressional Budget Act requires that on or before April 15 of each year the Congress shall complete action on a concurrent resolution on the budget for the fiscal year beginning on October 1 of such year. Nevertheless, Congress has often missed this deadline, so the lateness of this particular budget resolution is not extraordinary.

It is particularly understandable that this year's budget resolution would be late, in light of the fact that it contains more deficit reduction than has ever been proposed in any budget resolution. I believe the figure is nearly $1 trillion in deficit reduction that would purportedly be achieved over the next 7 years if this budget resolution is agreed to, and if all of its reconciliation instructions were enacted into law. That is what the Congressional Budget Office's current projections show.

At the end of that 7 years, according to table 1 on page 6 of the Budget Committee's report, under this budget resolution we will have achieved a budget surplus of $1.3 billion. Apparently that surplus occurs only under a unified budget. For those who are not intimately familiar with budget terminology, a unified budget is one that allows the use of trust fund surpluses to mask the true size of the deficit.

For this particular budget resolution, the use of such trust fund surpluses, and particularly the Social Security surplus, is necessary to achieve the $1.3 billion surplus in the year 2002. If one turns back one page in the Budget Committee's report to page 5, one will find another table. This table, table 1, sets forth the projected deficits recommended by the Budget Committee through the year 2002 without using the trust fund surpluses. This table shows that even if we adopt this budget resolution lock, stock, and barrel, we will still have a deficit—according to the Budget Committee—of $113.5 billion in 2002. In other words, if we do not apply the Social Security trust fund surplus against the deficit, the budget will not balance in the year 2002 under this budget resolution. Instead, there will be a deficit of $113.5 billion.

Having said that, I am quick to acknowledge the tremendously difficult work that has been done by the able chairman of the Budget Committee, Mr. DOMENICI. He has spent months on this budget resolution and, having worked closely with him on appropriation and budget matters for many years, I know that he is thoroughly familiar with virtually every item in this budget resolution. I would expect no less from this very able and distinguished Senator. It cannot have been easy to recommend the difficult choices that were necessary to achieve $1 trillion in deficit reduction without including any additional revenues and without cutting military spending. I would note, however, that the task would have been even more difficult had not the 1993 Reconciliation Act

been enacted. So let us not lose sight of that fact. That measure, at the time of its passage, was estimated to cut the deficit by $433 billion below the CBO baseline over 5 years.

President Clinton deserves a great deal of credit for having proposed a major deficit reduction package shortly after he assumed office in 1993. Subsequently, Congress enacted the Omnibus Reconciliation Act of 1993, which resulted in reducing 5-year deficit projections by $433 billion. Not one Republican, not one in either House, voted for the package, but, as I said, the Budget Committee has benefited from that 1993 deficit reduction package. Without that package that we enacted in 1993, the committee would have had to come up with another $433 billion in deficit reduction in this resolution in order to reach their target in 2002.

Mr. President, despite the rhetoric to the contrary—let me say this. I hope all Senators will hear it. Despite the rhetoric to the contrary, this is not the first budget resolution that has projected a balanced budget. I hear many Senators say, ''For the first time we have a budget resolution here that projects a balanced budget.''

That ain't so. This is not the first budget resolution that has projected a balanced budget. In fact, it is not even the second, or third budget resolution that has done so. That this is so is supported by the Budget Committee's report accompanying this year's resolution. In Mr. EXON's minority views, on page 314, the following statement is made:

> Contrary to Republican statements, this is not the first budget resolution to achieve balance. It is the fifth in line. The 1980, 1981, 1982, and 1991 budget resolutions were in balance. In the 1991 budget, Democrats did not use the Social Security trust fund surplus to reach balance. This all goes to demonstrate that the universe covered by a budget resolution can change in the course of the years.

That is the language, that is the committee report, and I quoted from Mr. EXON's statement there.

So, there have been four other occasions when budget resolutions have projected a balanced budget. We have done this before. This is not the first time. In fact, I recall that President Carter's fiscal year 1981 budget contained a deficit of something like $15.9 billion. We in the Senate found that to be intolerable, and as majority leader at that time, I convened a session at which the chairman and ranking members of the Budget, Appropriations, and other relevant committees sat down for several days including an entire weekend to come up with the necessary changes to balance President Carter's 1981 budget. We accomplished our purpose and the fiscal year 1981 budget resolution, therefore, showed a balanced budget. but, as with all other budget resolutions, including this one, as we shall see, changes in economic and technical forecasts caused the actual 1981 budget to be out of balance. The latest such budget resolution prior to the pending one was that for fiscal year 1991. Some Senators will recall that the 1991 budget resolution was adopted subsequent to the 1990 Budget Summit. That Budget Summit was requested by President Bush in May of 1990. I participated in it, as did a number of other Senators, including Mr. DOLE, Mr. DOMENICI, and Mr. GRAMM, to name a few—Mr. HATFIELD and Mr. Bentsen, who was a Senator at that time. From the House side, the summit participants included Mr. GEPHARDT and Mr. GINGRICH, among a number of others.

We spent literally weeks and weeks and weeks, and even months negotiating a bipartisan deficit reduction package which, it was agreed by all, should be no greater than $500 billion over five years. The fear was that anything over $500 billion would throw the economy into recession. We had the best Democratic and Republican brains in the Nation sitting around that summit table at Andrews Air Force Base. In addition to Members of Congress and their staffs, we had the benefit of the wisdom of Mr. Richard Darman, President Bush's OMB Director; Mr. John Sununu, the President's Chief of Staff; and even the Secretary of the Treasury, Mr. Nicholas Brady. Also present was the CBO Director, Dr. Robert Reischauer, and several of his key staff. I should mention that Leon Panetta was there. As anyone can see, we did not suffer from a lack of expertise at the 1990 bipartisan Budget Summit. Well, after all those months of intense negotiations, which often ran into the night and included Saturdays and Sundays, we finally reached an agreement.

That agreement cut the projected 5-year deficits for fiscal years 1991–95 by $500 billion. When first presented to the House, in the form of a budget resolution, the summit agreement was voted down. After some modifications were made, however, a budget resolution was agreed to by the House on October 8, 1990, and by the Senate the next day.

I have here the fiscal year 1991 budget resolution conference report. It is numbered report 101–820, and was submitted by Mr. Panetta, who was the House Budget Committee chairman at the time. On page 2 of this 1991 budget resolution conference report, we see a heading entitled ''Recommended Levels and Amounts.'' Under that heading in section 3(a)(4), one will find the on-budget deficits for fiscal years 1991–94 and an on-budget surplus for fiscal year 1995.

Specifically, the conference report itself reads as follows:

> SEC. 3. (a)(4)(A) The amounts of the deficits are as follows: Fiscal year 1991: $143,700,000,000. Fiscal year 1992: $100,900,000,000. Fiscal year 1993: $62,000,000,000. Fiscal year 1994: $14,700,000,000.
>
> (B) The amount of the surplus is as follows: Fiscal year 1995: $20,500,000,000.

So there you have it. The budget resolution for fiscal year 1991, which incorporated the budget cuts agreed to at the 1990 Budget Summit, showed an on-budget surplus of $20.5 billion in the fifth year; namely, fiscal year 1995. That surplus was to be achieved under that budget resolution without using the Social Security surplus. In fact, if one turns to page 21 of the 1991 budget resolution conference report, there one will find a table which, among other things, shows that if the Social Security and other trust fund surpluses are used to reduce the deficits, then there were supposed to be surpluses, not deficits, for fiscal years 1993, 1994, and 1995. In fact, the surpluses were to be: for fiscal year 1993, $44.8 billion; for fiscal year 1994, $108.5 billion; and for fiscal year 1995, $156.2 billion.

My purpose, Madam President, in raising these matters is to put to rest the misconception that somehow the Republican leadership in the Congress has come up with the first budget resolution ever that projects balance; and the further misconception that past Congresses failed to bite the bullet and make the tough choices to balance the budget. The fact is that we thought we had enacted the necessary spending restraints in 1990, on a bipartisan basis, to achieve a balanced budget by 1995. The experts told us we had done so. But, as is the case now, and, as I have said many times, there is no earthly way that any human being can accurately predict what the deficit will be 5 years from now.

We all know what happened to those 1991 budget resolution projections. They went south. No sooner was the ink dry on the Summit Agreement, and its accompanying reconciliation act, than CBO changed its projections.

I have here a CBO document entitled ''CBO Papers—The 1990 Agreement: An Interim Assessment'' dated December 1990. On page 8, this paper lays out major changes in the 1991–95 deficit calculations upon which the Congress and President Bush had just depended when they enacted the provisions of the Summit Agreement, which was supposed to achieve a budget surplus by fiscal year 1995. Here is what CBO had to say about their changed projections, only 1 month after enactment of the Summit Agreement:

> The October interim economic assumptions increase the projected deficit by $41 billion in 1991 and by about $60 billion per year thereafter, compared with CBO's summer baseline. The October forecast reflects significant signs of weakness that appeared in the economy after CBO completed its summer forecast in June. The Iraqi invasion of Kuwait in early August has caused a sharp increase in oil prices, which has boosted inflation. In addition, the revision of the national income and product accounts for the past three years suggests that the economy's potential rate of growth is lower than previously thought.
>
> Taken together, these economic developments reduce projected revenues by about $30 billion per year. Higher inflation increases cost-of-living adjustments for Social Security and other benefit programs, as well as discretionary inflation adjustments for defense and non-defense appropriations. Higher unemployment raises spending for unemployment compensation and for income-assistance programs. Finally, lower revenues and higher spending increase federal borrowing requirements and debt service

costs, by amounts growing from $2 billion in 1991 to $17 billion in 1995.

During the final months of fiscal year 1990, the Resolution Trust Corporation (RTC)—the agency charged with resolving insolvent savings and loan associations—spent $10 billion more than CBO projected in July. This surge in spending suggests that the RTC is resolving cases more quickly and needs more working capital than previously thought. As a result, CBO has increased its estimates of deposit insurance spending in 1991 and 1992. Together with the resulting increase in debt service costs, deposit insurance reestimates increase the projected deficit by $16 billion in 1991 and $42 billion in 1992, have little effect in 1993, and reduce the deficit somewhat thereafter.

So, Madam President, it became obvious, rather quickly then, that budget balance would not be achieved without further major deficit reduction packages. President Bush chose not to undertake further budget summits, nor to propose further deficit reduction for fiscal years 1992 or 1993.

It was left up to President Clinton to propose further deficit reduction. He rose to the challenge in his ''Vision For America,'' which was submitted to Congress on February 17, 1993. President Clinton laid out a blueprint for improving the lives of Americans and for reducing the Federal deficit, while at the same time, addressing the Nation's investment deficit in both human and physical infrastructure. The 1993 Omnibus Reconciliation Act was subsequently enacted and resulted in $433 billion in deficit reduction—and it had to be done without a single Republican vote.

That brings me to the pending budget resolution, which, as I stated at the beginning of my remarks, calls for some very difficult budget cuts which, according to OMB, will total $961 billion below a baseline which already assumes a non-defense discretionary freeze for the next 7 years. From this baseline, this budget resolution would cut: $256 billion from Medicare; $175 billion from Medicaid; $209 billion from other entitlements; $190 billion from nondefense discretionary spending (as measured from a 1995 freeze extended through 2002; defense is increased by $25 billion); and $155 billion from reduced debt service.

For nondefense discretionary spending, this budget resolution would cut $190 billion below a 1995 freeze; the equivalent of a $300 billion cut below the levels in the President's budget. By the year 2002, nondefense discretionary spending will be cut by nearly one-third, declining to 2.5 percent of the gross domestic product, and that would be a record low.

For military spending, on the other hand, this budget resolution proposes no cuts to the President's budget, as opposed to its proposed $300 billion in cuts below the President's nondefense budgets, over the next 7 years. That is preposterous. If we accept this budget resolution, we will cut by one-third—provided the instructions are carried through—we will cut by one-third that portion of the budget which funds education, the National Institutes of Health, environmental cleanup, health and safety programs to ensure the safety of food and water for our citizens, research and development, School-To-Work and other job training programs, NASA, aviation safety (including air traffic control), civilian and military retirement, agriculture, highway and bridge construction and maintenance, transit assistance, the Small Business Administration, the judiciary and the courts, nuclear waste cleanup, our national parks, law enforcement, and the operating costs of every department and agency of the Federal Government.

These and all other nondefense programs—all other nonmilitary programs—will suffer devastating cuts over the next 7 years.

But not the military; not the military. No cuts are proposed for the military over the next 7 years.

Does anyone believe that the military budget cannot be cut? Does anyone believe that the military budget ought not be cut? Does anyone believe that there are not items in that military budget that can be cut, ought to be cut, and still maintain the kind of security for our country that we expect?

Well, apparently some of our friends on the other side of the aisle do believe that. Not only that, this budget resolution will reestablish a wall so that military spending will have its own separate caps for the next 7 years. This will prohibit Congress from cutting military spending and using those cuts to ease the pain on nonmilitary spending. This means that we will limit our ability to set priorities by removing from the budget-cutting pot the entire military budget. It is off limits.

Furthermore, this budget resolution will eliminate the hold-harmless provisions of the Budget Enforcement Act for discretionary spending. This means that discretionary caps will no longer be adjusted for economic and technical miscalculations which are beyond the control of Congress.

I fought for that in connection with the 1990 summit and the budget resolution that flowed therefrom. I fought for that. I sat right down in my office and discussed that with Mr. Darman. I said, ''There's no give on that. Nondefense discretionary has got to be held harmless.'' And we were, and we have been held harmless since. But that is out now with this budget resolution.

Finally, this budget resolution will create a new requirement that, in order to not be charged against discretionary spending, emergencies will have to achieve a 60-vote supermajority in the Senate.

So if we have a disaster in Texas, get ready to produce 60 votes, or else it will be charged against discretionary spending. And where do we have the money? Discretionary spending is on the block. The ax is going to fall, as it has fallen time and time again in recent years.

It is clear that nondefense discretionary spending will suffer the greatest harm of any area of the Federal budget under this budget resolution. And the American people will not have to wait for reconciliation to feel the effects of the nondefense, nonmilitary, discretionary cuts. Those cuts will be coming to the House and Senate floors very soon after the adoption of the budget resolution conference agreement. Each of the 11 nondefense discretionary appropriation bills will contain a large dose of reality as to what is being asked of the American people in the way of cutbacks in government services. And these cuts will keep coming each and every year for the next 7 years. There will be no relief. If the caps are exceeded, then automatic cuts, or sequesters, will occur to bring nonmilitary spending back within each year's cap on both budget authority and outlays. Rest assured, if this budget resolution is agreed to, and I have no doubts that it will be agreed to, these cuts will occur. We will no longer have to speculate about the pain that will occur. It will have arrived.

For the entitlement portion of the budget, this budget resolution also calls for tough medicine. As the debate has already brought out, cuts of $256 billion for Medicare; $175 billion for Medicaid; and $209 billion from other entitlements will be very harsh upon those in our society who, in many cases, are the least able to afford to pay more for their benefits. The changes called for in the budget resolution for entitlements will be taken up later this year in a massive reconciliation bill. Only if enacted by Congress and signed into law by the President, will these entitlement cuts take place.

So there will be another day to make that decision.

Page 5 of the committee report, Madam President, contains this statement:

> The committee's recommendations are real, enforceable, and achieve the fiscal policy goal of a comprehensive, unified balanced budget in 2002.

I ask Senators where is the enforcement on entitlement spending in this resolution? Let me read again page 5 of the committee report. I quote:

> The committee's recommendations are real, enforceable, and achieve the fiscal policy goal of a comprehensive, unified balanced budget in 2002.

I ask the committee, where is the enforcement on entitlements? The committee report says these are enforceable. Where? Where is the enforcement on entitlement spending in this resolution? I have asked my staff to find that. My staff has searched in vain to find caps on entitlements and sequesters to enforce the caps. There are no such provisions. Despite the committee's claim, there is no enforcement on entitlement spending for the next 7 years. Yet, as any knowledgeable observer knows, entitlements are where the growth in Federal spending is occurring. The cuts in discretionary spending will occur—you can bet—they will occur because there are caps every

year and automatic, across-the-board cuts discretionary spending within those caps.

Yes, they are enforceable, those cuts in nonmilitary discretionary spending. Cuts in nonmilitary discretionary spending will occur because there are caps every year and automatic, across-the-board cuts to keep the nonmilitary discretionary spending within those caps. Yet, for entitlements, this resolution contains no caps and no other enforcement mechanisms.

Similarly, for revenues, there is nothing in this resolution to ensure that each year's revenue projection will be achieved. What if we have a recession? What if we have a recession, as we probably will? How will the shortfall be accounted for?

The only way in this resolution is by increasing the deficit.

For entitlement spending and revenues, this budget resolution is no different—no different—from any of the other budget resolutions in the past. In fact, the proposed balanced budget amendment to the Constitution suffers from the same flaw. We pointed that out time and time again in the debate. That amendment suffered from that flaw. Human beings simply cannot accurately forecast budgets 7 years, or 5 years or 4 years or 3 years or 2 years, or even 1 year in advance. This budget resolution is no different from the budget resolution for fiscal year 1991 which, as I have already pointed out, was not worth the paper it was written on. When all is said and done, it was not worth the paper it was written on. It took CBO just 1 month—1 month—to change the revenues downward and the entitlements upward. The pending resolution will not improve the negative effects of those misestimates for revenues and entitlements at all.

This brings me to a final area of the pending resolution, which is disturbing to me, perhaps as much as any of the other matters I have raised, if not more. That is the portion of this budget resolution which states that after enactment of reconciliation, the Congressional Budget Office will provide the Senate with a revised estimate of the deficit for the years 1996 through 2005, and if there is any additional deficit reduction, the ''surplus'' can be used for a cut in revenues. The resolution would not allow the surplus to be explicitly used for additional deficit reduction or to lessen the impact of proposed Medicare or Medicaid cuts.

CBO has already indicated that if the deficit is eliminated by the year 2002, there will be a ''bonus surplus'' gained from a reduction in interest rates and an improvement of one-tenth of a percentage point in the growth rate. The mark requires the fiscal dividend to be limited to the amount CBO certifies is the additional deficit reduction that results from the enactment of reconciliation legislation based upon the Republican mark.

Madam President, first of all, I do not believe there will be any windfall if this budget resolution is agreed to and if its accompanying reconciliation measure is signed into law. This budget resolution assumes there will be no recessions over the next 7 years. Furthermore, any objective review of the past history of CBO's 5-year deficit projections would lead one to find highly suspect the 7-year projections contained in the pending resolution. I do not believe the chances are any better than 1 in 1,000 that, if we accept this budget resolution to carry out its entire contents without change, we will achieve a balanced budget in 2002.

Regarding the tax cut provided in this resolution, I am frankly amazed. For all the talk—all the talk—about balancing the budget and all the mighty effort expended, we turn right around again in the same budget balancing document and spend $170 billion that we do not have and will, in all likelihood, never have on a tax cut. It is folly. Here we go again. Like the old song says: ''Livin' on money that we ain't made yet.''

''Livin' on money that we ain't made yet.'' That money is not going to be there when the day rolls around.

In case I am wrong, I do not support the use of any resulting windfall for tax cuts. And I do not care who recommends the tax cuts. It can be President Clinton, if he wants to. I am not going down that road with him. I do not think he should have gone down that road. I do not think anybody ought to be recommending tax cuts at this time. I am not supporting Mr. Clinton and I am not supporting the Republicans on any tax cuts.

If there are any windfalls, we should apply them toward the deficit rather than give them away in tax cuts. That is what we wanted to do. We want to balance the budget. It is the height of ridiculosity to propose tax cuts for the wealthy which total over $350 billion over the next 7 years, while at the same time we are devastating domestic discretionary programs that are investments in the Nation's future and in the people's future.

I believe that the other side of the aisle would do well to tone down the partisan rhetoric and the blame game. Democrats did not put us in this downward spiral. We all had a hand in it. We had a Democratic House, but we had a Republican President and we had a Republican Senate. Democrats have done their best to lead the efforts to eliminate the Federal deficit in the past. We recognize it has to be done. We did not ignore the problem in the past. We did not ignore it in 1993, and we stand ready to do our part again to do what is necessary to achieve budget balance. But it is obvious that we cannot do this if all we are interested in is partisanship. Virtually every substantive amendment that was offered by Democrats in the Budget Committee markup was rejected on a party line vote. Here on the Senate floor, the same partisan approach has been used by the Republican majority.

I, therefore, do not kid myself by holding out any hope that there will be any attention paid by the Republican side to the suggestions or proposals made by this side of the aisle. That is unfortunate. We are all here to do our solemn duty in, once again, making tough choices which affect the lives of virtually every American in order to balance the budget. None of us shy away from that duty. But, I submit that the Senate and the American people would be far better served if, at some point during this year's budget and reconciliation battles, we put aside partisan and Presidential politics, and vote for the best possible legislation in all instances—no matter whose idea it may be.

I close by congratulating again, Mr. DOMENICI, the chairman of the Budget Committee. He is an extremely capable and bright and dedicated Senator, and he has demonstrated a great deal of courage in bringing this resolution forward.

But I like to look at history in a situation like this, just as in many other situations. I have related some recent history to show that budget resolutions have a way of being overly optimistic and that there are conditions that occur in the economy which, in the final analysis, result in changing the expected and hoped-for outcomes of the budget resolutions.

I also compliment Senator EXON, who has done a fine job, a dedicated job on the Budget Committee. It is not easy. And all of the members on that committee are to be complimented. I am not on the committee, and I do not envy those who have worked so hard. They have spent hours and days and weeks, and they have done their best. I know they have done their best.

I know the Senator from New Mexico has done his best. He believes in this product. But he has no control over the future. Nobody has any control over tomorrow. ''Boast not thyself of tomorrow, for thou knowest not what a day may bring forth.'' Recessions can occur, military conflicts may arise. There are things we cannot foresee. We cannot foresee what inflation will be, what the unemployment rate will be, what the gross domestic product will be, what interest rates will be.

In closing, I compliment the managers and I hope that what I had to say today will be of some benefit and that it will at least cause us to look back over the road we have traveled in the past and possibly to temper what we may have to say with regard to the future's optimist projections.

Madam President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 2 minutes 10 seconds remaining.

Mr. BYRD. I yield back my 2 minutes.

Mr. DOMENICI. Madam President, I yield myself 1 minute off my side. Before he leaves the floor, I thank Senator BYRD very much for his remarks.

I know we do not agree on the details, but I thank him very much for the way in which he described the Budget Committee, as hard-working people. It is very hard to get people together on such diverse issues. I compliment Senator EXON for his hard work. Again, I thank Senator BYRD for his remarks.

There is no question that if we could predict with specificity exactly what will happen 3 years, 7 years, 20 years from now, we would be greater than the Roman Senate. But in any event, we cannot do that. I understand we are doing our very best. But I think the assumptions and expectations of this budget are realistically conservative in terms of economics and the like, even more so than the President's budget, which did not do much to the deficit but had less conservative estimates in the next 4 years. I thank him for his remarks.

I yield the floor.

Mr. EXON. Madam President, let me take a moment and thank my friend and colleague, the chairman of the committee, Senator DOMENICI, with whom I have worked for a long, long time. I have saluted him during this debate before and I do so again now.

I also want to take a moment to compliment my very dear friend, the senior Senator from West Virginia, for his outstandingly considerate and thoughtful remarks. I just hope that the Senate will be wise enough to recognize and realize that someone with the wisdom, dedication and the evenhandedness that has been part and parcel of Senator BYRD's lengthy and very distinguished career would give us pause for consideration. I think sometimes we get carried away, and I can think back and make talks on several measures that have been introduced in the U.S. Senate to solve the deficit problem. I voted against most of them because I did not think they held water.

I simply say that there are many concerns that we have on both sides of the aisle. Some of the sharp debate we have had on this measure is a very legitimate process of the consideration—the debate and deliberations that the U.S. Senate has been known for a long time.

As a personal aside, let me say that I have often said with my experience in politics, the great reward has been the people that I have met and have been associated with that would have never come my way had I not been chosen by the great people of the State of Nebraska to represent them as Governor and then as a U.S. Senator. One of the finest things that has happened to this Senator, with all of the outstanding people that I have met and been associated with and worked with, Senator BYRD has always been a pillar of what I think a U.S. Senator should be all about. And I think the remarks that he just gave demonstrate better than I could have said it how important he has been and remains as a Member of this body. I thank my friend from West Virginia.

Mr. BYRD. Madam President, I thank both managers of the bill.

Mr. DOMENICI. Senator GRAMM of Texas is going to offer an amendment. Technically, under the rules, I am supposed to manage the opposition. But I choose today to designate, if he will assume the responsibility, Senator EXON as the manager in opposition to the Republican amendment.

Mr. EXON. I appreciate those remarks by Senator DOMENICI. We are prepared to cooperate as he has outlined. If I understand it correctly, we are now moving back and forth, and we are now prepared to listen to the beginning of the debate on what I understand is called the Gramm amendment. We are prepared for that if the Chair is.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Texas.

AMENDMENT NO. 1123

(Purpose: Setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002)

Mr. GRAMM. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM], for himself, Mr. COATS, Mr. COVERDELL, Mr. CRAIG, Mr. FAIRCLOTH, Mr. GRAMS, Mr. HELMS, Mr. KEMPTHORNE, Mr. KYL, Mr. LOTT, Mr. MACK, Mr. MCCAIN and Mr. SMITH, proposes an amendment numbered 1123.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. GRAMM. Madam President, I ask unanimous consent further reading be dispensed with.

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

Mr. GRAMM. Madam President, I have offered an amendment which will reduce government spending from the level recommended in the Senate budget, that will include the heart of the tax cuts contained in the Contract With America, and that will, for all practical purposes, bring the budget which is now under consideration in the Senate into line with the budget that has already been adopted in the House.

In short, if the amendment that I have offered is adopted, we can virtually guarantee that the tax cuts which Republicans across the land committed to in the 1994 elections will become the law of the land.

I would like to outline what this debate is about. I would like to talk about the amendment. I would like to outline what the amendment does, and then I would like to talk about the issue that we are going to decide when we cast a vote on this amendment.

In September of last year on the north plaza of the Capitol Building, Republican candidates for the U.S. Senate, in fact, every Republican challenger in the country that was running in an open seat or against a Democratic incumbent except one who could not be there on that occasion, gathered to issue to America, a statement that we called ''7 more in '94.''

I want to read the opening part of that statement, and then I want to refer to a couple of things in it. We said, ''We pledge to the American people that if they empower us as a majority in the U.S. Senate on November 8, 1994, we will dedicate ourselves to the adoption of these legislative priorities.'' Among those priorities, we had a tax exemption for children, we had the reestablishment of individual retirement accounts for families, we had the reduction of the capital gains tax rate, and the indexing of capital gains, and we pledged to repeal the earnings test under Social Security.

One week later, as everyone in America now knows, Republican candidates for the House of Representatives gathered on the west front of the Capitol and presented their Contract With America which outlined two goals as it related to the budget.

One goal was to balance the Federal budget, a commitment we also had made 1 week earlier on the northern approach to the Capitol; and also they outlined a comprehensive program to cut taxes, to let families keep more of what they earn, to provide incentives for people to work and to save and to invest.

That was in September 1994. We all know that the American people on November 8 changed American Government in the most sweeping congressional election since 1932. We won a majority in both Houses of Congress. The House of Representatives, good to its word, not only made promises in the campaign but they fulfilled each and every one of those promises. They adopted a budget last week that balanced the Federal budget over a 7-year period and that mandated tax cuts as they had outlined in the Contract With America.

Now, that brings the Senate to this point in the debate. Where we are today is that we have a budget before the Senate that fulfills half the fiscal commitments we made that September day. We have before the Senate a budget that over a 7-year-period limits the growth of Government spending to 3.3 percent a year, down from an average of about 5.5 percent a year growth over the previous 5 years, down from about 7.5 percent growth in Government spending since 1950.

As a result of constraining the growth in Government spending, the budget that is before the Senate is a budget that will achieve balance over a 7-year-period.

I want to congratulate Senator DOMENICI. I want to congratulate my colleagues for having achieved half of the commitment that we made prior to the elections in 1994.

My amendment today seeks to achieve the other half of those commitments. Now, what is the difference at this moment between the House budget and the Senate budget? Stated in its most simple terms, the budget that we are considering in the Senate spends $175 billion more on nondefense spending programs over the next 7 years than the budget which was adopted in the House. That is the first difference. Our budget spends a lot more money than the House budget spends, on nondefense expenditures.

The second difference is that the budget in the Senate does not mandate a tax cut, whereas the budget in the House does.

My amendment is a very simple amendment. What my amendment does is make two changes in spending. No. 1, it phases in the reductions in the growth of spending under Medicaid so that while Medicaid expenditures grow every year over the next 7 years, and while Medicaid grows faster than Government spending is growing, we slow down the rate of growth in Medicaid more quickly under the substitute which I have offered than under the budget that is currently pending before the Senate.

Many people believe that those savings are not only achievable but desirable.

The most significant change in spending that I have proposed in this amendment reduces nondefense discretionary spending below the level contained in the budget that is before the Senate, so that overall we are spending $142 billion less under my amendment than we are spending in the budget that is currently before the Senate.

If we look at this chart, Mr. President, it shows basically what the amendment does to spending. The red line is a line that shows the growth of Government spending under the Domenici budget; that growth averages 3.3 percent a year.

What my amendment does, by reducing the growth of discretionary spending, and by phasing in savings in Medicaid more quickly, rather than growing at 3.3 percent a year, Government spending would grow at approximately 3 percent a year. Government is still spending more each year than it spent the year before, but not spending as much as it would have spent had this amendment not been adopted.

This amendment then provides for tax cuts for the American people. These tax cuts basically contain the following items: A $500 tax credit per child; cutting the capital gains tax rate by 50 percent and indexing it for inflation; estate tax relief for small business and small farms; faster depreciation through expensing for small business to encourage investment in small business in America; beginning the process of phasing out the so-called marriage penalty, this perverse provision in the Tax Code where if two people with incomes meet, fall in love, and decide to get married, they pay the Government as much as $4,500 a year—for the right to be married—in additional taxes; this amendment reestablishes individual retirement accounts for all Americans; it allows spouses working in the home to have an individual retirement account on exactly the same basis as if they worked outside the home; it allows the deduction with a credit for expenses in adopting a child; it raises the threshold for the earnings test under Social Security so that if senior citizens need to work to supplement their income, if they have the ability to work, they can do it without losing Social Security in the process; and finally, if someone takes care of an elderly person in their home, they are allowed a credit for part of those expenses.

This, in essence, is the tax cut that is contained in the House budget and is the heart of the Contract With America.

Now, let me take on the issues that are going to be raised. There are going to be some people who will say, ''Look, let us balance the budget before we talk about tax cuts.''

That is very easy to respond to. We are both balancing the budget. The DOMENICI budget balances the budget, certifies the savings, locks them in with enforcement mechanisms, and so does the amendment I have offered. In terms of balancing the budget, both amendments will balance the Federal budget.

What my amendment does is spend less money, and by reducing spending by $142 billion over the next 7 years, my amendment makes it possible for us to adopt as part of the reconciliation process a tax cut, fulfill the commitment we made in the campaign, and to do something more: To begin the process of not only balancing the budget but changing who is doing the spending in America.

The debate here is really between those who say we want the Government to spend $142 billion more, in the Senate, than Government spends in the House budget, and those who support my amendment and say let us have the Federal Government spend $142 billion less so families can spend more of their own money on their own children, so that businesses can invest more of their own money in their own businesses.

I know there are those who will say this is a debate about how much money we spend on children, this is a debate about how much money we spend on education, housing, and nutrition. But this is not a debate about how much money we spend on children. It is not a debate about how much money is spent on nutrition or housing or education. It is a debate about who is going to do the spending.

In the budget that is before us, the Government is going to continue to do the spending. In the amendment that I have offered, the family will do the spending. I know Government and I know the family and I know the difference. I believe if the American family is allowed to have a $500 tax credit per child so parents can spend more of their own money on their own children, on their own future, that they will do a better job in spending that money than the Federal Government is doing.

In the House they propose eliminating public funding for public television. In the House, they propose eliminating the Federal Department of Education. And they give part of that money back to parents, to let parents decide how it is spent. I believe that is a clear choice and I want to be absolutely certain that people know that we can make that choice in this amendment. If you want families to spend more of their own money rather than having the Government spend it, you want to be for this amendment.

Second, this amendment cuts the capital gains tax rate, provides incentives for investment, and I know there will be those in this debate who will say this helps rich people. ''If you cut the capital gains tax rate, rich people are going to exploit the situation because what they are going to do is mobilize their money; they are going to invest it; they will create jobs. But if they are successful, they will earn profits.''

Welcome to America. That is how our system works. If we want people to create jobs there has to be an incentive to do it. I do not understand people who love jobs but hate the people who create them. I do not understand how we can expect people to make investments and take risks, and yet somehow resent allowing them to benefit when they are successful from the investments they make and the risks they take.

As I listen to all this talk about rich people versus poor people, it has started me thinking about my own life's experience. I have been blessed in having a lot of jobs in my life, especially when I was growing up. I worked as a peanut processor, I worked in a cabinet shop, I worked in a boat factory, in addition to all the jobs we all had working in a grocery store, throwing a newspaper. No poor person ever hired me in my life. Every job I ever got in my life, I got because somebody beat me to the bottom rung of the economic ladder, climbed up, saved his money, invested it wisely, and made it possible for someone like me to get my foot on the bottom rung of the economic ladder.

What my amendment seeks to do, by cutting the capital gains tax rate and by providing incentives for people to work and to save and to invest, is to guarantee that tens of millions of additional young Americans will get an opportunity to put their foot on the bottom rung of the economic ladder and start climbing up themselves. By cutting discretionary spending we have the opportunity to cut programs where Government is subsidizing business

and, instead, cut the capital gains tax rate and provide investment incentives so that investment decisions are not made by the Government but where investment decisions are made in the private sector of the economy.

Some people are going to say, ''Look, we ought to forget this $500 tax credit per child because it is not enough money to make any difference.'' For a two-child family, this $500 tax credit is going to mean that family is going to get to keep $1,000 more every year of what they earn to invest in their own children. That may not be much money in Washington, DC, but in Texas, where I am from, the ability of a family to spend $1,000 more of its own money on its own children is real money. The fact that that is not real money in Washington, DC, tells you something about the problems that we have in Washington, DC. I think these are changes we need to make.

So here is the choice we are about. The choice is this. The House of Representatives has controlled Government spending, and using the words we use in Washington, cut Government spending. Even though spending grows every year in their budget, it just does not grow as fast as it would have grown had they not changed policies. But in the House, they spent roughly $175 billion less on nondefense spending than the budget that we are now considering in the Senate. My amendment simply cuts spending by roughly that amount and gives that money back to parents to invest in their own children, cuts the capital gains tax rate, encourages savings and investment by changing the tax code so that rather than the Government spending this $175 billion, it can be spent in the private sector, where families and businesses are making the decisions instead of the Government.

This is not a debate about balancing the budget. Both budgets balance the budget. This is not a debate about spending money on children or investing in businesses. Both budgets do that. But it is a debate about who is going to do the spending. Under my amendment, families will do more spending and the Government will do less spending. Under my amendment, Government will make fewer investment decisions and private business will make more investment decisions.

Not only do I believe this is good policy, I think it is important for two reasons. One is economic and one is political.

Economically, I think the economy is beginning to soften. Economically, I think we are beginning to feel, now, the impact of the tax increase that was adopted 2 years ago.

I think the impact is being felt on the American economy, and I think we are beginning to see troublesome signs in the economy. I think it is very important, as part of this budget, because we want it to work and we want to balance the budget, that we as part of this budget provide incentives for private investment. As Government does less, it is important that we give parents the ability to do more by letting them keep more of their own money. It is important, as Government does less, that we provide incentives for business to do more in creating jobs and growth and opportunity.

I think that is especially true given that we are going to reform the welfare system and we are going to ask millions of people to get out of the welfare wagon and help the rest of us pull. Cutting the capital gains tax rate, providing incentives for investment and growth I think is a vital part of this.

Finally, we had an election. We all see the results of that election. We have a Republican majority. We have 54 Republicans in the Senate. We have a Republican majority in the House for the first time in 40 years. We won that election based on commitments that we made to the American people, and in terms of the budget we committed to do two things. No. 1 to balance the Federal budget. That is a commitment on which we are clearly going to deliver. But we also committed to reduce spending further so that families can keep more of what they earn and so that businesses can make more investment decisions to create more jobs, more growth, more opportunity for our people. That is a commitment that we are not going to fulfill unless we adopt this amendment.

Finally, before I yield the floor and allow the opposition to speak and begin to recognize our colleagues who are cosponsors to the amendment, let me say this. I know there are others who are talking about cutting a deal—compromising, coming up with a temporary tax cut. I think if we are going to change America, if we are going to change Government policy, we have to stop cutting deals in Washington, DC. We promised that we would do this in the election. As chairman of the Republican senatorial committee, I went all over the country and with Republican candidates everywhere committed to this program, and so did others of our colleagues on the Republican side of the aisle.

Now we come down to the moment of truth. There are many who say, look, it was hard enough balancing the budget. This was excruciatingly painful. This was difficult. We do not want to go the final step to live up to what we committed in the election.

I think that is a mistake. I think America will be richer and freer and happier if we do it. It is not only the right thing to do economically, it is the right thing to do because we committed to do it.

I reserve the remainder of our time.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, we have spent a lot of time discussing the basic unfairness of the tax cut proposed by some Members on the other side of the aisle. The American people are wise to Republican tax shenanigans that benefit the wealthiest in this Nation. The amendment that has just been offered by the Senator from Texas embraces the unworkable and unrealistic tax cut described by Speaker GINGRICH as, ''The heart and soul, the crown jewel of the Contract With America.''

It is a phony jewel at best and a very deceptive one, I hasten to suggest. The plain fact is that we cannot afford a tax cut, and there should not be one in this budget if we are going to balance the budget. Our primary goal, the goal that the American people overwhelmingly endorse, should be to reduce the deficit. A tax cut like the one in the House Contract With America would only add to the problem by forcing us to make even deeper and more painful spending cuts.

Poll after poll has shown that voters want Congress to get the Nation's fiscal house in order by balancing the budget, not by cutting taxes.

Mr. President, we have just spent the majority of Friday and Monday talking about the draconian impact of the Republican budget cuts. Those cuts are in Medicare, and lower income beneficiaries are all going to suffer. We also talked about Medicare cuts and the cuts to education, the cuts to the EITC program, the cuts to veterans programs, and the cuts to agriculture. But no matter how the deficit is eliminated, the fact is that achieving balance is an extraordinarily difficult and painful task. It requires more than $1 trillion in spending cuts—cuts that have a real impact on real people. Adding tax cuts to the mix would only ensure that the pain goes even deeper. And in this budget that translates to even harsher treatment for our seniors, our schools and education, our children, and the least well off in our society.

There has also been a great deal of talk in this Chamber especially about the so-called economic bonus that will magically occur if this budget is enacted. According to CBO, it would be possible for a total of some $170 billion over the next 7 years and balloon to $356 billion over 10 years if those figures work out—if those figures work out. The bonus has become the financing source for the tax cuts being advocated by our friends on the other side of the aisle. If this bonus does occur—and I think that point is very debatable—I submit there are many better purposes to which it could and should be put. In fact, the driving force behind the Democratic amendments center on this very issue.

The question is very simple: Should any economic bonus be reserved for tax cuts for the best off in our society or should it be used to soften the blows of some of the extraordinarily harsh cuts that will be meted out under the plan? Our position is very simple: we cannot afford a tax cut. It makes the job of

balancing the budget just that much more difficult and disproportionately unfair.

Furthermore, in the event that an economic bonus or surplus should accrue as a result of the painful choices that are being made, this bonus should be used to lessen the pain of those cuts rather than a tax cut and thus better assuring a realistic balanced budget by a day certain.

That is where we stand, Mr. President, and that is where the American people stand, too. That is where realistic and reasonable people stand. I certainly strongly recommend that we disapprove the amendment offered by the Senator from Texas.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH). Who yields time?

Mr. GRAMM. Mr. President, if we go back and forth——

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Let me respond very briefly and then I would yield to Senator GRAMS.

Mr. President, let me first say that the amendment I have offered cuts spending by another $142 billion to make it possible for us to let families keep more of what they earn and to provide incentives for businesses to invest their own money in their own future and generate jobs.

I hear our colleagues on the Democratic side of the aisle talking about difficult choices. I am not aware that a single one of them plans to make a single difficult choice, and these are difficult choices being made by Republicans. Their proposal is that if we make the difficult choices so that we balance the budget, if any benefit should accrue from that we allow Government to spend the benefits. Our proposal is that if we make the tough choices and benefits accrue as a result of those tough choices in lower interest rates and higher growth because we have balanced the budget, because the Government is not borrowing half of all the money that is loaned in America, we give that money back to the people who earned the money to begin with, the people who do the work, pay the taxes, and pull the wagon.

So I do not think the distinction between the two visions for the future that we are debating here could be any clearer.

I do not think the American people believe that the tax cuts adopted in the House of Representatives are unreasonable or unworkable. I do not think the American people think that the idea of letting families spend more of their own money by having Government spend less of it is an unrealistic or unworkable idea. In fact, it has worked in reverse for 40 years. The average family in 1950, with two children, sent $1 out of every $50 it earned to Washington. Today, it is sending $1 out of every $4.

I am just proposing to take a very small step back in the right direction for a change.

I yield 10 minutes to the distinguished Senator from Minnesota, Senator GRAMS.

Mr. GRAMS. I thank the Senator very much. And I want to thank him very much for giving me the time on this amendment, and also give a lot of credit to the Senator from Texas for bringing this amendment to the floor.

Mr. President, we have heard strong and passionate statements from my colleagues on the subject of the $500 per-child tax credit and other tax reductions.

But there is one thing we have not heard.

We have not heard from the people themselves, those who would benefit most from tax relief, those who pay the bills—that is, the middle-class Americans who work every day—and a lot of nights and weekends, too—just trying to make a better life for themselves, their children, their families.

And they do it at the same time they are paying more and more taxes to the Federal Government.

Who is speaking up for them? Who is speaking up for the taxpayers?

As their elected representatives, it is supposed to be us. But sometimes I am not so sure we are.

November was only 6 months ago, but in a city where the headline-making political promises of yesterday too often end up lining the bottom of the bird cage, the message of November already seems to have been forgotten by many of us in the Senate.

And so, if not us, who is speaking up for the taxpayers?

Believe me, Mr. President, they may not be here to speak for themselves, but they have a voice in this debate, and they have a right to be heard today.

Fortunately, the taxpayers in my State of Minnesota are prolific letter-writers. And, thanks to their letters, some of which I have brought with me to the floor, they will be heard today.

And this is just a very small sample but a representation of what I have received in the mail.

Listen carefully—their thoughtful words reflect a deep dissatisfaction with the status quo in Washington.

Listen to Ralph Krasky of Minneapolis:

> We are just being killed in taxes. We both work and all we do is save for April 15. Let us keep what we make. After all, it is not the government's money. It is our money.

Or listen to Elaine Haataja, 53 years old and living in Menagha.

She lost her husband to cancer a year ago:

> I am very angry at our Federal and State tax system. I had no choice but to go to work for $5 an hour to support myself and keep up the taxes and insurance on my house and car.
>
> "I receive $700 a month from my husband's pension, which isn't enough a month to pay utilities and insurance plus the upkeep on the house and my old car. And now I have to pay $1,100 for Federal and State taxes.

The frustration is real, Mr. President, in Minneapolis, in Menagha, and every town in between. People feel as if their own Government has let them down; that somehow Government has gotten off the right track.

"I urge you to continue to cut taxes and cut spending and cut the Federal bureaucracy," writes Ralph Grant of Rockford, MN.

"There is more than enough waste and fraud and pork and duplication in the Federal budget to sustain a severe reduction without affecting any necessary and required services."

Minnetrista residents Kathy and Gary Hejna agree:

> We believe this country was built with hard work and sacrifice, not sympathy and handouts.
>
> We also believe that we can spend this money more effectively than the Government, who has only succeeded in creating a permanent, dependent welfare class with our money over the last 40 years.
>
> Any bill that takes money away from the Government and gives it to the families, the basic unit of society, can only benefit everyone in this country.

With seven children, Kathy and Gary would receive a tax credit of $3,500 every year under the Gramm amendment.

Think what a difference an extra $3,500 could mean for a family.

It could mean health insurance, a special education for a gifted child, or simple necessities like groceries and clothing.

Think how the $500 per-child tax credit could strengthen the American family.

Kathleen and William Bart of Roseville have given it a lot of thought. "A $500 Federal tax credit for each dependent is not a Federal hand-out," they write, "but would allow parents to keep more of the money that they make and to use it to care for their own children.

"A $500 Federal tax credit for each dependent would unquestionably strengthen many families—especially middle-class and economically-disadvantaged families."

Lori Brandt, who lives in Plymouth, MN, has thought about it, too. "Families desperately need a break today," she says, "and tax relief is long overdue."

From Duluth came this letter by Justin Black. "So many families starting out these days are as poor as dirt because they have to pay so much taxes when they haven't had the time to barely start their lives.

"They need a break like this tax bill so they can afford to raise a healthy family. Remember: they're the hope for the next generation and they need to have a strong family life to take over where the last generation left off."

"My husband, Jay, is an executive with a small manufacturing business and I am a mother and homemaker, as well as teacher to our two small children," says Patty Meacham of Audubon, MN, in her letter to my office.

"We are helping to support Jay's 69-year-old-mother, because we don't feel the government should be responsible for every person within our borders.

''Tax cuts would enable us to do much more Grandma, and perhaps she could get off the rolls of people accepting rent assistance.

''It is no source of pride for us that she has to go to a government agency for help, but how can we do what is right for her, when we are so greatly strapped by the tax burden placed upon us?''

A young couple from Coon Rapids tried to but a new home to fulfill the American dream, only to learn after meeting with their realtor that they simply could not afford to do it on their own.

''I have finally reached the point of complete frustration and anger over the amount of taxes being deducted from my check each month,'' said their letter.

''When we got home that evening my husband and I sat down with our checkbook and our bills and tried to determine what we were doing wrong. After taking everything into consideration we determined that we weren't spending our money foolishly.

''The only real problem we found was when we looked at our paycheck stubs and actually realized how much of our income was going to pay for taxes.

''It saddens me to think of how hard my husband and I work and how much time we have to spend away from our daughter to be at work * * * and we still cannot 'reach the American dream.' ''

The $500 per-child tax credit would help families like Natalie's realize their dreams. And Minnesotans know it will help the economy, too.

David Clark, a taxpayer from Eden Prairie writes: ''Taxation is an awesome burden in the U.S. today, and it is sucking away resources from the economy that could be used to create jobs and opportunities for everyone, including the poor.

''I urge you to use the new Republican majority to enact the legislation needed to get the Government off our backs.''

Walter Wilder, a doctor from Edina, writes: ''Tax cuts will help to balance the budget by stimulating growth, bringing in more income, including from the high-income people.''

And J. Randy Brown of Oakdale says: ''I agree with your position that tax cuts are also a necessary part of the overall budget solution. Reduced taxes will result in renewed growth, job-creating, and the result of that would be increased revenues.''

Mr. President, if it were up to the American people, we would have tax relief, and the vote would not even be close.

The House heard the people and passed its budget last week, with the $500 per-child tax credit as its centerpiece.

But now it is our turn. The American people are not sure we are up to the task. And I am afraid they may be right.

''I just finished my '94 taxes. What a disappointment,'' writes Tim Hulst of New Hope.

''The government can't seem to get enough of my money. Last year, I worked two jobs—seven days per week—and my wife worked full time to try and support ourselves and three children.

''After all we've paid in, we still owe $1,000 more. Please convince your fellow Senators how important it is to cut taxes. I wonder sometimes if the Republicans in the Senate really get it.''

Dean Fairbrother of Minneapolis has the same concerns. ''The status-quo, too-cautious approach exemplified by many of the senior members of the Republican Senate caucus is unacceptable. Keep pushing for family tax relief,'' he urged.

''Ignore the tired lamentations coming from the Old Bulls. They are wrong—you, me, and the majority of Americans pleading for such relief are dead right.''

The letter-writer who leveled the harshest criticism at this Chamber is Folkert Breitsma of Maple Grove, who writes:

''It is a disgrace to see billions of our money squandered by politicians who are out of touch with real life and have the audacity to say that the national government can be entrusted with the money—that they know what is good for us.

''I have watched the Senate stonewall most of the initiatives brought forth by the House. It is defended by the Senators as being 'more deliberate' and 'take time to study the initiatives.'

''However it is promoted, I see it as stonewalling by a group of people that do not have a clear vision of what they want to achieve and have the arrogance to claim they know what is best for the country.''

Those are strong words—not my words, but words in which I find a good deal of truth.

But there is hope, Mr. President—the hope offered by the $500 per-child tax credit we debate today.

Mr. President, look what the $500 per-child tax credit could do for the Minnesotans who wrote asking for our help:

We would return $1.4 million to the people of Wadena County, home of Elaine Haataja; we would return $48.7 million to the people of Ramsey County, home of the Bart Family; $3 million to Becker County, home of the Meacham Family; $20.8 million to Washington County, home of the Browns; and $101.5 million would be returned to Hennepin County, which the Brandts, the Breitsmas, the Kraskys, the Hulsts, and the Fairbrothers call home.

By passing the $500 per-child tax credit, we would return $500 million to Minnesota families—$25 billion annually to families across America.

We have heard what the people have to say. I think the question, again, is who is speaking up for the taxpayers?

As I close, Mr. President, I want to remark that the senior Senator from Nebraska said a few moments ago the tax cut would more deeply increase the pain to balance the budget. The pain of the tax burden on this country's families is growing more and more, and they are demanding and asking for tax relief.

I strongly urge my colleagues to support and adopt the Gramm amendment.

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

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, what I am hearing in the Senate today is almost word for word what I heard in the early 1980's: Give the people a tax cut and do not worry about the deficit. We are for tax cuts, too, but only after we get our deficit under control.

I yield 5 minutes to my colleague from Wisconsin.

Mr. FEINGOLD. Mr. President, I certainly thank the Senator from Nebraska, and I want to say I admire how straightforward the Senator from Texas is with his amendment and his approach. He lays it right on the line. He believes we can afford at this point a $350 billion tax cut and still balance the budget.

In fact, I appreciate the candor of the whole Republican contract in admitting that this really is the centerpiece, this is the crown jewel of the Republican contract, as stated by the Speaker and as stated by the Senator from Texas.

I was amazed when they first came up with that formulation. Of all the different things you could pick from the Republican contract: regulatory reform, trying to get the Government off our back; line-item veto; the balanced budget amendment—for a moment I thought that was the crown jewel of the Republican contract—the issue of unfunded mandates we already dealt with; issues having to do with Congress, living by the rules that it creates for others. All of these things are apparently swept aside when it comes to the importance of delivering a tax cut at this time even though this country has reached a $5 trillion debt and a deficit that has only recently been brought down through the efforts of the Clinton administration.

So I agree with the Senator from Texas. This is the key amendment on this whole issue. The Senator says that the tax cut is the heart of the Contract With America. Well, this is the test: Is your heart with the tax cuts or is your heart with deficit reduction? You cannot have it both ways, and this is the test and this is what the American people are looking for.

What is very unfortunate is that the Senator from Texas fails to tell what this amendment really does. It takes

$170 billion that is already in the budget resolution, adds that much again, makes the cuts deeper for the various programs that are going to be cut, and you know what, Mr. President, it still does not balance the budget in the year 2002, unless you take the money of Social Security.

This is not a balanced budget in the first place, Mr. President, and this amendment will only make it worse. Do not let anyone on the Republican side kid you, this budget resolution does not balance the budget in the year 2002, unless you take the money from Social Security. So this amendment cannot possibly solve that problem.

The Senator from Texas talks about two visions. He sees this as all about whether we are going to return the money to the people. But that is not what the November 8 election was all about. I think both in 1992 and 1994, the American people spoke with a very clear voice. They did not call for tax cuts. They said get rid of the Federal deficit, get rid of the huge interest payments we have to pay on the debt, do not saddle our children and our grandchildren with this deficit. That was the message in 1992 and it was the message in 1994. It is not a partisan message. People are just saying, clean up the mess that was made in the 1980's that the Senator from Nebraska just referred to.

The amendment of the Senator from Texas would make the mess much worse. It would say that even though all these deep cuts are being made in so many important human programs, we still have $350 billion in spare change around for tax cuts. I do not think anyone out there really believes that.

Let me agree with the Senator from Texas that this should not be about class warfare. I support neither the Senator's proposal nor the proposal for a tax cut in the budget resolution, nor do I support the President's proposal for a much tinier tax cut. I say we cannot do any of it, and there is a moderate bipartisan coalition in this body of Republicans and Democrats alike who say just get rid of all the tax cuts; whatever we have to reduce spending with, let us use that money to reduce the deficit.

You know, Mr. President, my biggest concern is not this amendment. This amendment is going down to defeat, I am happy to say. The crown jewel of the Republican contract will be soundly defeated on the floor of this Senate in a very short while. The Speaker's crown jewel will be gone. The $350 billion is not going to be voted by this body. We will defeat the crown jewel of the Republican contract. But I will say, Mr. President, that this is a stalking horse to make the $170 billion that is already in the budget resolution look moderate. We also cannot afford that, and we will have amendments later to deal with this. If I may have 1 additional minute?

Mr. EXON. Thirty seconds. If I give you another minute, there will not be enough. Thirty seconds.

Mr. FEINGOLD. I thank the ranking member very much.

Mr. President, this amendment, more than anything else, offends the common sense of the American people—they know better than we do—if we vote for this. It offends them because they know darn well you cannot balance the budget and spend $350 billion on tax cuts and tell them it is going to work. It does not work. It is phony and it should be defeated.

I thank the Chair.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired. The Senator from Texas.

Mr. GRAMM. Mr. President, I know it breaks the hearts of our colleagues, but in this amendment, I am proposing cutting Government spending, their precious programs, so that families can spend their own money on their own children on their own future, and invest in their own businesses. If that violates common sense, I think it says there is a difference between common sense in Washington, DC, and on the floor of the U.S. Senate as compared to common sense around every kitchen table in the kitchen of every working family in America.

I yield 8 minutes to the Senator from Indiana, Senator COATS.

Mr. COATS. Mr. President, I thank my fellow Senator from Texas, Senator GRAMM, for yielding, and I rise today in very strong support of his amendment, which has the courage to confront an issue that I believe is essential to our future: The preservation of the American family.

The amendment before us strengthens—not weakens—strengthens the budget resolution by recognizing that cutting budgets and cutting taxes are part of the same movement in America, a movement to limit our Government and empower our people.

These twin goals, I contend, are not inconsistent. They are inseparable, and we can prove our commitment to both if we are willing to cut Federal spending just an additional three-tenths of 1 percent. Let us understand that. These two goals are not incompatible if Members are willing to take three-tenths of 1 percent more in Federal programs and apply it as a return to the American taxpayer.

While I support the progrowth and savings provisions provided in this amendment, in the limited time I have, I would like to focus my remarks on the profamily elements of this amendment.

Opponents have argued that the only way to help children is to maintain record high levels of Federal spending on every Government program. But there is a better way. What we are asking today is simply, who is better informed and who is more compassionate to make choices in the interest of our children, the Federal Government or America's families? Can there be any serious debate on how that question is answered?

The lessons that we have learned from decades of social spending are clear: Government programs have proven incapable of fighting social despair and disorder. But strong families can, and it is time to admit that when families fail, so does our society. It is also time to understand that when our families are involved and favored and supported, they construct a hopeful future for America.

This Congress today is presented with a choice between the failed, discredited compassion of Government and the proven power of strong families to build hope in their children and order in our society.

I believe, Mr. President, it is a transparent ploy to say this is simply a matter of rich versus poor. Rather, it is a matter of where resources and authority should rest: in Government or in our families and our communities?

Much of the opposition to tax relief seems to be based on a myth, a myth that tax cuts somehow waste the Government's money.

The Government produces nothing. It has no resources of its own to spend. Tax cuts are not a waste of Government funds; they are simply a method to allow Americans to keep their own money. They are a method to build working independence as an alternative to Government paternalism which has proven so destructive, despite the honorable intentions of its proponents.

It is tax cuts that are the best form of social investment, an investment in the ability of people to care for themselves. In 1993, the Bipartisan Commission on America's Urban Families found that, ''The trend of family fragmentation drives the Nation's most pressing social problems—crime, educational failure, declining mental health, drug abuse, and poverty. These, in turn, further fragment families.''

One of the key policy recommendations of the commission was to ''increase the self-sufficiency and economic well-being of families by either significantly increasing the personal exemption or a child tax credit for all children through age 18.''

Those were the conclusions of the Bipartisan Commission on American Urban Families, and I think we should listen to their words. The findings on the National Commission of Urban Families were remarkably similar to the findings advocated 3 years ago by the Democratic Progressive Policy Institute; in an impressive report entitled ''Putting Children First,'' a progressive family policy for the nineties, this group found, ''There are some things that only families can do, and if families are placed under so much stress that they cannot raise children effectively, the rest of the society cannot make up the difference in later years.''

Mr. President, the time of political change is the time to reassess our national priorities. We need to redirect our focus and our funds to strengthen the family. While Government's role in preserving the family is limited, it is not insignificant. Perhaps the single most important thing Government can accomplish for families is to lift the economic burdens that can cripple the family.

Over the last 50 years, we have had a lousy track record in doing that. The personal exemption is now just 12 percent of income, where it used to be at 42 percent in 1948 when it was first introduced. Since the end of World War II, it is families that have borne the burden of increased taxes. That burden increased more than 200 percent for families with two children.

Their average after-tax income is below that, even of elderly households, single persons, and couples without children. In my home State of Indiana, the median family income for a family of four is $30,000 and, of that, nearly $11,000 is devoted to Federal, State, and local taxes. The average family in Indiana pays more in taxes than it does in housing, food, and clothing expenses combined.

The Gramm amendment completes the budget resolution by addressing not only the Government's budget deficit, but also the deficit and the resources of families to care for their own. It is a deficit created by increased taxation of the family through the erosion of the personal exemption. For too long we have ignored this growing burden and its growing social costs.

Mr. President, the promise of tax relief for the American family is now before us to be fulfilled or to be ignored. At the end of this process, I want to vote on a budget that tackles both threats to the American family—the threat of the budget deficit and an ever-growing threat of a tax burden. I want to support a budget that contributes to a growing economy and builds new momentum for job creation. For too long we have dismissed the needs of families to answer the call of other interests. With this vote, that trend can end.

I urge my colleagues to vote for passage of this critical amendment. Again, the fundamental choice before us is, do we want to leave more money in the hands of Federal bureaucrats to spend in their so-called wisdom on behalf of our families and the needs that are pressing on our society, or do we want to rest that decision with parents and with families?

By cutting spending just an additional three-tenths of 1 percent, we can give that decision to families rather than rest it in the hands of Government bureaucrats. That is the decision before us. We can have both. It is a fundamental choice that we must make. I am pleased to join the Senator from Texas, and I am pleased that he offered this amendment because that presents us and grants us that choice.

If I have any additional time, I know the Senator is pressed for time, I am happy to yield any additional time back.

Mr. EXON. Mr. President, in view of the fact that we have more time left than that side, would the Senator from Texas object to two rather short statements in a row?

Mr. GRAMM. I would not object.

Mr. EXON. Then I would yield at this time 4 minutes to the Senator from Michigan, followed by 2 minutes by the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I thank the Chair and my friend from Nebraska.

Tomorrow, or the next day, the Senate is likely to approve a budget which would be described as being balanced by the year 2002, although it will not be. It will not be balanced because it relies heavily on surpluses in the Social Security Trust Fund to achieve that so-called balance.

But the proposed budget resolution before us is unbalanced in another important way. The budget blueprint represented here penalizes middle-income working families, reduces our investment in education, and penalizes our senior citizens, in order to provide a tax reduction which will benefit mainly the wealthiest of Americans.

One of the most inequitable aspects of the budget before us is that it raises taxes on working families. The proposal to cut back the earned-income tax credit for working families—in other words, to raise taxes on working families who make less than $28,000 per year will, according to the Department of the Treasury, raise their taxes, and in the case of a single parent with two children, for instance, who makes $8,800 a year, raise his or her taxes by $354. That is a minimum-wage parent making $8,800. That is a tax increase of $354, according to the Department of the Treasury, and that is what is in the budget resolution before us.

Now, Kevin Phillips, a conservative commentator, says this about the Republican budget proposal and this particular tax increase on people making $28,000 or less. He said,

> It is the senior citizens, the poor, students, and ordinary Americans who will see programs that they depend on gutted by this proposal, while the richest 1 or 2 percent, far from making sacrifices, actually get new benefits and tax reductions.

President Reagan described the earned income tax credit, which is being cut back in the proposal before us, as ''the best antipoverty, best pro-family, best job creation measure to come out of the Congress.'' That is what President Reagan told us about the earned income tax credit. That is what the proposal before us will cut back. That is the law which benefits families that earn under $28,000, and that is the proposal before us which will cut back that earned income tax credit so that families earning under $28,000 will pay more in taxes.

Why are we doing this? Mainly to cut some taxes. And, according to the proposal of the Senator from Texas, most of the tax cut will go to the wealthiest of Americans. Over 50 percent of the benefits in the amendment of the Senator from Texas goes to Americans earning over $100,000. Now, what a contrast that is.

In the budget proposal before us, if you earn less than $28,000, you are slated for a tax increase. If we adopt the Bradley amendment, we will cure that unfairness. But then comes along another amendment which compounds the unfairness, and that is the amendment of the Senator from Texas, which then says we ought to take that pot of money created by the cuts on seniors and on students and on working people and give those dollars mainly, over 50 percent, to people earning over $100,000.

Now, the contrast could not be sharper. It could not be clearer. The unfairness is clear. We can correct that unfairness in two ways, by adopting the Bradley amendment and defeating the Gramm amendment.

Mr. President. I rise to oppose the Gramm amendment which would provide for a $345 billion tax cut over the next 7 years.

This tax cut provides more than half of its benefits to people making more than $100,000 a year. It gives a $20,000 tax break to those who make $350,000.

On Wednesday or Thursday, the Senate will likely approve a budget which will be described as balanced in the year 2002 although it will not be. It relies heavily on surpluses in the Social Security trust funds to achieve balance. The proposed budget resolution before us is already unbalanced in another important way. The budget blue print represented here penalizes middle-income working families, reduces our investment in education, and penalizes our senior citizens, in order to provide for a tax reduction which will benefit mostly the wealthiest of Americans.

The Gramm amendment would make the inequities of this budget worse and would remove from conference with the House the possibility that the unfairness might be somewhat reduced. One of the most inequitable aspects of the proposal before us is that to pay for these tax cuts for the most well-off Americans, it raises taxes on working families. The proposal to cut back the earned income tax credit for working families making less than $28,000 per year would, according to the Department of the Treasury, raise taxes by $354 on a single parent with two children making only $8,840 a year. That's minimum wage.

Yesterday, I quoted noted conservative commentator Kevin Phillips, as have a number of my colleagues this week, but his recent public remarks sum up the problems with the Republican budget proposal and this particular tax increase on people making $28,000 a year very well. He said:

If the budget deficit were really a national crisis instead of a pretext for fiscal favoritism and finagling, we'd be talking about shared sacrifice, with * * * the people who have the big money making the biggest sacrifice. Instead, it's senior citizens, the poor, students, and ordinary Americans who'll see programs they depend on gutted while * * * the richest 1- or 2-percent, far from making sacrifices, actually get new benefits and tax reductions.

The earned income tax credit has a long history of bipartisan support. President Reagan called the EITC, ''The best anti-poverty, the best pro-family, the best job creation measure to come out of the Congress.'' The EITC has played an important role in providing incentives to keep people working who are struggling to get on the lowest rungs of America's economic ladder and to stay off the welfare roles.

And our Republican colleagues do not, look to the $2½ trillion over the next 5 years in all tax expenditures. There is no effort in this budget to control the growth of corporate tax deductions, no effort to restrain the growing tax breaks for the largest and richest among us. In fact, the Gramm amendment would eliminate the corporate alternative minimum tax, a tax designed to assure that profitable companies have to pay some reasonable amount in Federal income taxes. This is a more than $25 billion tax reduction for such companies.

Instead, the Republican budget aims a $21 billion tax increase at the working families with children. In Michigan, this means a $457 million tax hike over 7 years on nearly 316,000 hard-working taxpayers making less than $28,000 a year. Over the next 7 years, they'll pay an average of nearly $1,500 more.

Mr. President, the budget before us has its priorities wrong. The Bradley amendment on which we will vote shortly is a step in the right direction. The Gramm amendment is just wrong. It would provide tax cuts for the wealthiest while leaving intact this tax increase on working families. It's simply a question of fairness.

I urge my colleagues to defeat the Gramm amendment and support the Bradley amendment.

I thank the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota is recognized for 2 minutes.

Mr. WELLSTONE. Mr. President, I would apologize as a teacher for not doing justice to the issues before the Senate. It is just impossible in 2 minutes.

Let me start out by saying that there is an old Yiddish proverb that I think applies to this amendment on the floor. That Yiddish proverb says you cannot dance at two weddings at the same time. Quite frankly, this is a perfect example of that.

On the one hand, we tell people we are serious about deficit reduction. On the other hand, we are talking about $300 or $350 billion of tax cuts going disproportionately to the wealthiest and highest-income citizens.

Mr. President, I just have to say that that does not pass the test of intellectual rigor in the State of Minnesota. People want the Senate to get real with them. They want the Senate to be straightforward with them. They do not believe for a moment that we can have hundreds of billions of dollars of tax cuts while, at the same time, we are pretending to be serious about deficit reduction.

Second of all, Mr. President, and it is very difficult to talk about what the statistics mean in personal terms, but honest to God, when we are talking about severe cuts in Medicare for elderly people, and Medicaid for elderly people, and nutrition programs for children, and support for students to be able to go on to higher education, a higher education that they can afford, and when we give away an investment in education and health care and jobs for people, and we want to do all of this deficit reduction on the backs of these citizens, middle-income citizens, families, working people, all on behalf of hundreds of billions of dollars of tax cuts for the wealthiest people in the United States of America, it not only does not meet the Minnesota standard of rigor, it does not meet the Minnesota standard of fairness.

Mr. GRAMM. Mr. President, I yield the junior Senator from Arizona 6 minutes.

Mr. KYL. I thank the Senator from Texas for yielding. Mr. President, I express my strong support for the Gramm amendment.

This amendment is about keeping our promises to the American people to provide tax relief to the American families. We have heard a lot of criticism about this amendment. It provides a $500 per child tax credit for the American family. It provides for marriage penalty relief, spousal IRA, a new American dream savings account to allow people to buy a home, provides a credit to families caring for elderly family members.

It keeps faith with our seniors. It does not take a nickel from Social Security. In fact, it raises the Social Security earnings limitation, something that the senior citizens from Arizona have been fighting for since I has been here. It enables seniors to be able to work without having a penalty.

It provides estate and gift tax relief, provides incentive for the purchase of long-term care insurance, something all of our seniors are interested in. This amendment also provides incentives for businesses to grow and create new jobs.

Capital gains tax reform—there is over $5 trillion in backed-up capital, in pent-up capital, in our society that could be freed with this kind of capital gains tax relief. That means jobs for Americans.

This amendment provides for a home office deduction. For small business expensing. It repeals the corporate alternative minimum tax and provides for neutral cost recovery. Balancing the budget, Mr. President, is important, but balancing the budget is not the only goal. At best we will produce a Government that still taxes too much, spends too much, and regulates too much.

With the Gramm amendment we are saying to the American people that we trust them to spend their own hard-earned tax dollars more wisely than the bureaucrats in Washington. They know how to take care of their family and how to invest and create new jobs.

While some here talk of ordinary Americans, we believe that Americans are extraordinary. Given the opportunity, they can improve their own lives and the lives of their families. They just need the resources to do so.

Who cares, Mr. President, more about a child's education than a parent? Give them the $500 child tax credit. Who spends the money more wisely and efficiently? The St. Mary's Food Bank in Arizona or the Department of Agriculture, that administers nutrition programs? If I had $500 to contribute to an entity to provide for the poor, I am going to contribute it to a local charity sooner than to the U.S. Government.

Who is a better job creator, the Federal Government or private business? The Gramm amendment means Congress has to prioritize the remaining spending, like American families have to do. By reducing taxes, it provides a chance to stimulate economic activity and produce more revenue for the Treasury.

Mr. President, when a retailer has a sale on a Saturday, does he expect to receive less income as a result of that sale? No. By reducing the rates, he intends to bring more people in and more than make up by increased volume what he has lost in the price that he charges.

The same thing occurs when we reduce taxes rates. We are not producing less revenue to the Treasury. We actually—and experience proves this—produce more revenue to the Treasury by virtue of that reduction.

Finally, Mr. President, I heard some conversation a while ago that basically suggests the liberals in this body believe that this amendment will make it more difficult to balance the budget and deliver. They oppose it. Here is my challenge to all of the liberals who have spoken here. Will they support the budget resolution without this tax increase in it? Do any of our liberal colleagues want to stand up and say yes, they will vote for this amendment, for the budget resolution before the Senate, so long as we do not have the tax increases in it?

The answer, Mr. President, is no. And the reason they will not support the budget resolution even without the tax increases is because fundamentally they do not support a balanced budget.

Mr. GRAMM. Tax cuts, not increases.

Mr. KYL. Mr. President, I am sorry if I misspoke with regard to the tax cuts

being proposed by the Gramm amendment.

The bottom line, the liberals who oppose the Gramm tax cuts do so because they like taxes, because they want the money to spend, not because they are going to support a budget resolution that does not have these tax cuts in it.

If any of our liberal colleagues are willing to stand up and prove me wrong by saying no, they will vote for this budget resolution so long as it does not have the Gramm tax cuts in it, then I will eat these words and say, fine, I accept their vote.

I suggest, Mr. President, that the talk about opposing this amendment, because they are interested in balancing the budget, is just so much talk because in the end they will vote against the budget resolution that balances the budget. They would rather have the tax money to spend. That is why they oppose the Gramm tax cuts.

I hope that our colleagues will support the Gramm tax cuts. Mr. President, I believe if they do so they will be striking a blow for the American economy and for the American family.

Mr. EXON. Mr. President, I yield 5 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the distinguished leader on our side.

Mr. President, the amendment of the Senator from Texas is premised on the idea that both House and Senate budget resolutions balance the budget: Absolutely false. Let me refer specifically to the House budget, page 4: The deficit for the year 2002 is estimated at $120.7 billion. They make no pretense, they print it in black and white.

Moreover, if we look at the figures on page 4, lines 20 and 21, we will find that the debt increases from 2001 to 2002 by $192 billion; that is the real deficit under the House resolution.

The real deficit under the Senate budget for the year 2002 is listed on page 7, line 21 as $113.5 billion. If we turn to page 9, we can see that the debt increases $177 billion—the real deficit.

So the very notion that we have done a good job, that we have balanced the budget, or that we deserve a reward, is all based on a false premise. Mr. President, the biggest falsity, one perpetrated on both sides of the aisle, is the belief that we can balance the budget through spending cuts alone and without increasing revenues.

I laid out the harsh budget realities in January of this year. I continue to report it, but in the limited time I have, I cannot go through the entire document. Thus, I would ask unanimous consent to have it printed in the RECORD.

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

HOLLINGS RELEASES REALITIES ON TRUTH IN BUDGETING

Reality No. 1: $1.2 trillion in spending cuts is necessary.

Reality No. 2: There aren't enough savings in entitlements. Have welfare reform, but a jobs program will cost; savings are questionable. Health reform can and should save some, but slowing growth from 10 to 5 percent doesn't offer enough savings. Social Security won't be cut and will be off-budget again.

Reality No. 3: We should hold the line on the budget on Defense; that would be no savings.

Reality No. 4: Savings must come from freezes and cuts in domestic discretionary spending but that's not enough to stop hemorrhaging interest costs.

Reality No. 5: Taxes are necessary to stop hemorrhage in interest costs.

	1996	1997	1998	1999	2000	2001	2002
Deficit CBO Jan. 1995 (using trust funds)	207	224	225	253	284	297	322
Freeze discretionary outlays after 1998	0	0	0	−19	−38	−58	−78
Spending cuts	−37	−74	−111	−128	−146	−163	−180
Interest savings	−1	−5	−11	−20	−32	−46	−64
Total savings ($1.2 trillion)	−38	−79	−122	−167	−216	−267	−322
Remaining deficit using trust funds	169	145	103	86	68	30	0
Remaining deficit excluding trust funds	287	264	222	202	185	149	121
5 percent VAT	96	155	172	184	190	196	200
Net deficit excluding trust funds	187	97	27	(17)	(54)	(111)	(159)
Gross debt	5,142	5,257	5,300	5,305	5,272	5,200	5,091
Average interest rate on debt (percent)	7.0	7.1	6.9	6.8	6.7	6.7	6.7
Interest cost on the debt	367	370	368	368	366	360	354

Note.—Figures are in billions. Figures don't include the billions necessary for a middle-class tax cut.

Here is a list of the kinds of nondefense discretionary spending cuts that would be necessary now as a first step to get $37 billion of savings and put the country on the road to a balanced budget:

Nondefense discretionary spending cuts	1996	1997
Cut space station	2.1	2.1
Eliminate CDBG	2.0	2.0
Eliminate low-income home energy assistance	1.4	1.5
Eliminate arts funding	1.0	1.0
Eliminate funding for campus based aid	1.4	1.4
Eliminate funding for impact aid	1.0	1.0
Reduce law enforcement funding to control drugs	1.5	1.8
Eliminate Federal wastewater grants	0.8	1.6
Eliminate SBA loans	0.21	0.282
Reduce Federal aid for mass transit	0.5	0.1
Eliminate EDA	0.02	0.1
Reduce Federal rent subsidies	0.1	0.2
Reduce overhead for university research	0.2	0.3
Repeal Davis-Bacon	0.2	0.5
Reduce State Dept. funding and end misc. activities	0.1	0.2
End P.L. 480 title I and III sales	0.4	0.6
Eliminate overseas broadcasting	0.458	0.570
Eliminate the Bureau of Mines	0.1	0.2
Eliminate expansion of rural housing assistance	0.1	0.2
Eliminate USTTA	0.012	0.16
Eliminate ATP	0.1	0.2
Eliminate airport grant in aids	0.3	1.0
Eliminate Federal highway demonstration projects	0.1	0.3
Eliminate Amtrak subsidies	0.4	0.4
Eliminate RDA loan guarantees	0.0	0.1
Eliminate Appalachian Regional Commission	0.0	0.1
Eliminate untargeted funds for math and science	0.1	0.2
Cut Federal salaries by 4 percent	4.0	4.0
Charge Federal employees commercial rates for parking	0.1	0.1
Reduce agricultural research extension activities	0.2	0.2
Cancel advanced solid rocket motor	0.3	0.4
Eliminate legal services	0.4	0.4
Reduce Federal travel by 30 percent	0.4	0.4
Reduce energy funding for Energy Technology Develop.	0.2	0.5
Reduce Superfund cleanup costs	0.2	0.4

Nondefense discretionary spending cuts	1996	1997
Reduce REA subsidies	0.1	0.1
Eliminate postal subsidies for nonprofits	0.1	0.1
Reduce NIH funding	0.5	1.1
Eliminate Federal Crop Insurance Program	0.3	0.3
Reduce Justice State-local assistance grants	0.1	0.2
Reduce export-import direct loans	0.1	0.2
Eliminate library programs	0.1	0.1
Modify Service Contract Act	0.2	0.2
Eliminate HUD special purpose grants	0.2	0.3
Reduce housing programs	0.4	1.0
Eliminate Community Investment Program	0.1	0.4
Reduce Strategic Petroleum Program	0.1	0.1
Eliminate Senior Community Service Program	0.1	0.4
Reduce USDA spending for export marketing	0.02	0.02
Reduce maternal and child health grants	0.2	0.4
Close veterans hospitals	0.1	0.2
Reduce number of political employees	0.1	0.1
Reduce management costs for VA health care	0.2	0.4
Reduce PMA subsidy	0.0	1.2
Reduce below cost timber sales	0.0	0.1
Reduce the legislative branch 15 percent	0.3	0.3
Eliminate Small Business Development Centers	0.056	0.074
Eliminate minority assistance score, small business interstate and other technical assistance programs, women's business assistance, international trade assistance, empowerment zones	0.033	0.046
Eliminate new State Department construction projects	0.010	0.023
Eliminate Int'l Boundaries and Water Commission	0.013	0.02
Eliminate Asia Foundation	0.013	0.015
Eliminate International Fisheries Commission	0.015	0.015
Eliminate Arms Control Disarmament Agency	0.041	0.054
Eliminate NED	0.014	0.034
Eliminate Fulbright and other international exchanges	0.119	0.207
Eliminate North-South Center	0.002	0.004
Eliminate U.S. contribution to WHO, OAS, and other international organizations including the United Nations	0.873	0.873
Eliminate participation in U.N. peacekeeping	0.533	0.533
Eliminate Byrne grant	0.112	0.306
Eliminate Community Policing Program	0.286	0.780
Moratorium on new Federal prison construction	0.208	0.140
Reduce Coast Guard 10 percent	0.208	0.260
Eliminate Manufacturing Extension Program	0.03	0.06
Eliminate coastal zone management	0.03	0.06
Eliminate national Marine sanctuaries	0.007	0.012

Nondefense discretionary spending cuts	1996	1997
Eliminate climate and global change research	0.047	0.078
Eliminate national sea grant	0.032	0.054
Eliminate State weather modification grant	0.002	0.003
Cut weather service operations 10 percent	0.031	0.051
Eliminate regional climate centers	0.002	0.003
Eliminate Minority Business Development Agency	0.022	0.044
Eliminate Public Telecommunications Facilities Program grant	0.003	0.016
Eliminate children's educational television	0.0	0.002
Eliminate national information infrastructure grant	0.001	0.032
Cut Pell grants 20 percent	0.250	1.24
Eliminate education research	0.042	0.283
Cut Head Start 50 percent	0.840	1.8
Eliminate meals and services for the elderly	0.335	0.473
Eliminate title II social service block grant	2.7	2.8
Eliminate community services block grant	0.317	0.470
Eliminate rehabilitation services	1.85	2.30
Eliminate vocational education	0.176	1.2
Reduce chapter 1 20 percent	0.173	1.16
Reduce special education 20 percent	0.072	0.480
Eliminate bilingual education	0.029	0.196
Eliminate JTPA	0.250	4.5
Eliminate child welfare services	0.240	0.289
Eliminate CDC Breast Cancer Program	0.048	0.089
Eliminate CDC AIDS Control Program	0.283	0.525
Eliminate Ryan White AIDS Program	0.228	0.468
Eliminate maternal and child health	0.246	0.506
Eliminate Family Planning Program	0.069	0.143
Eliminate CDC Immunization Program	0.168	0.345
Eliminate Tuberculosis Program	0.042	0.087
Eliminate agricultural research service	0.546	0.656
Reduce WIC 50 percent	1.579	1.735
Eliminate TEFAP:		
Administrative	0.024	0.040
Commodities	0.025	0.025
Reduce cooperative State research service 20 percent	0.044	0.070
Reduce animal plant health inspection service 10 percent	0.036	0.044
Reduce food safety inspection service 10 percent	0.047	0.052
Total	36.941	58.402

Mr. HOLLINGS. Mr. President, government is big. But what is big is the interest costs on the national debt.

I was here when we balanced the budget under President Lyndon Johnson. The gross interest cost at that time was $4 billion.

Think of it, 36 Presidents, Republican and Democrats, all the wars from the Revolution, World War I, II, Korea, and a good part of Vietnam—the interest costs on the debt were only $4 billion. The interest costs on this year's deficit and debt are estimated at $340 billion. The cost of Government as you and I know it, domestic discretionary, is $275 billion. That is the courts, the Congress, the President, the departments, FBI, DEA and all other non-defense appropriated accounts. Thus, even if you eliminate all of those departments, you still have a deficit.

What you are doing in the Gramm amendment is a charade, requiring people to pay higher interest costs and saying you are giving it to them in a tax cut. We are misleading the people on the idea that the work is done.

I agree that the people are better able to spend their money than we are. But they expect us to come to Washington and to be honest about budget matters. It is time to get out of the wagon and help us pull—the trouble is that we here are in the wagon. It is the children who are doing the pulling.

Mr. DOMENICI. Will the Senator yield?

Mr. HOLLINGS. I will be delighted to yield, on your time.

Mr. DOMENICI. I just want to make three unanimous-consent requests on my time.

Mr. HOLLINGS. I am through with my time. But I would be delighted to get into a debate with my distinguished chairman.

In closing, let me just reiterate that I really am tired of this fraud. The greatest fraud I know exacted on the American people is the idea we have choices. We are broke. And the single biggest government program that we have is the interest costs on the debt that we have to spend year after year. To honestly stop this hemorrhaging we have to freeze, we have to cut, we have to close loopholes and increase taxes. When we finally admit that, we will get on top of the problem.

Mr. DOMENICI. Thank you, Senator.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator GRAMM be allocated 20 minutes on the Thurmond-McCain amendment, the upcoming amendment, to be subtracted from the Thurmond-McCain time on their amendment.

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

Mr. DOMENICI. Mr. President, this has been cleared by the Democratic leader and by Senator EXON.

I ask unanimous consent that just prior to the final vote on the budget resolution there be 30 minutes for debate to be controlled by the Democratic leader, to be followed by 30 minutes for debate to be controlled by the Republican leader, or the manager, Senator DOMENICI, this in addition to the time allotted under the Budget Act.

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

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I yield 2 minutes to the senior Senator from Arizona.

Mr. McCAIN. Mr. President, I rise in support of the Gramm amendment. I would direct my remarks to my colleagues on this side of the aisle rather than the other side of the aisle, because, in 1993, the Senator from South Carolina and the Senator from North Dakota and the Senator from Illinois and the majority of those on that side of the aisle who were in the majority at that time voted in favor of the largest tax increase in the history of this country. That was their decision. And, because they were in the majority at the time, that was the will of Congress.

In 1994, however, the American people repudiated that massive tax increase. The American people said they want their taxes cut and they said they want to keep some of the money for themselves.

If the Senator from South Carolina does not think a $500 per child tax exemption would be appreciated by average Americans in this country, he is free to have his own views. The fact is, the people in Arizona, the families in Arizona, would be more than pleased to have a $500 a child tax cut and would have money to spend on their own children rather than to send to Washington.

What this amendment is all about is whether we are going to have the status quo where we have accepted the largest tax increase in the history of this country, enacted in 1993, or whether we are going to carry out the message of the American people who said we want less Government, we want less regulation, we want less taxes.

I see the Gramm amendment, frankly, as a real stark choice and perhaps the most important vote we will take in this budget debate, because it will determine basically the future—not of the party on that side of the aisle, but of the party on this side of the aisle—as to whether we intend to keep the commitment and promise we made to the people of this country.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I yield 4 minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, in the old western movies we used to see these folks traveling around selling these bottles of tonic they claimed would cure everything from the hiccups to the gout. Of course, the bottle of tonic did nothing of the sort.

This proposal—to cut taxes—reminds me of that. It is really dealing with myths. Let me deal with a couple of facts. People say, ''The budget is going to be balanced. Now let us talk about a tax cut.'' In the budget resolution in this Chamber today on page 7—this is a reproduction of page 7—it says ''Deficits.'' In the year 2002 the deficit is $113.5 billion. Balanced? Where?

I want one person today on the majority side to come to the floor and tell us what this says, on page 7. It says a $113 billion deficit after 7 years.

Second, tax cut. Do not take it from me, take it from a Republican, Kevin Phillips, who says,

> Spending on government programs [speaking of this budget] from Medicare and education to home heating oil assistance, is to be reduced in ways that principally burden the poor and the middle class while simultaneously taxes are to be cut in ways that predominantly benefit the top 1 or 2 percent of Americans.

Do not take it from me. Take it from a Republican who tells it like it is.

Here is the paragraph of what he is talking about on the tax cuts. They call it middle-class tax cuts. Families under $30,000 a year get $120. Families over $200,000 a year are given $11,200 tax cut. That is a middle-class tax cut? Not where I come from.

No, this budget is clear. With this amendment calling for tax cuts for the wealthy, this budget says to working families: We are going to make it harder for you to send your kids to college because we do not have enough money but we are going to give a big tax cuts to the wealthy. It says to the elderly and poor: We are going to make it harder for you to get health care because we cannot afford it but we are going to give a big tax cut to the wealthy. It says to 2,000 corporations that we will give a $2 million check to each one of them, because we are going to eliminate the alternative minimum tax.

I do not understand those priorities. Those priorities make no sense at all. The first job in this Chamber is to balance the Federal budget. For those on the other side to stand up and say we do not care about balancing the budget, and then to offer an amendment that says, ''By the way, the budget is not in balance now that we have brought to the floor, but we also want to give very big tax cuts to those who need them least in this country and take it out of the hides of other folks who want to send their kids to school or to get health care or to buy home heating fuel in the cold winter,'' somehow I think those priorities do not sell very well back home, because the people see through them.

This is a curious and tortured claim that is brought to the floor, that somehow if we do not support tax cuts for the rich we do not care about the Federal deficits. We are the ones who care about the Federal deficit. We want to balance this budget, but you do not balance the budget by trotting out

something that is popular, a big tax cut, call it a middle-class tax cut, and butter the bread of the wealthy in this country, and then tell other folks we are sorry, we cannot afford things that are essential for you.

No, this does not fly. This does not make sense. I think the American people will see it for that. This is pure politics, pure politics.

This budget resolution on the floor today does not balance the budget. It does not claim it does. On line 21 of page 7 it says the Federal deficit in the year 2002 is going to be $113 billion.

Would that those who called themselves warriors in the past debate on the deficit not turn out to be wall flowers on this issue and better serve this country and their constituents by deciding if there is money to be achieved anywhere, any place, on revenue or the spending side, to use it to bring this down to zero and put this country back on track. Really balance the budget, really give us some truth in labeling. Yes, that would better serve this country's interests.

I know it may not be the most popular thing, but I happen to think it is the right thing.

Mr. President, I yield the floor.

Mr. GRAMM addressed the Chair.

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

Mr. GRAMM. Mr. President, I have to give our dear colleagues on the left credit for one thing. They do not propose budgets. They do not vote for balanced budget amendments to the Constitution. They never propose cutting anything. But they can stand up in front of God and everybody else and say they are for balancing the budget. It is like Bill Clinton, who feels our pain and does not share with us that he causes it all the time.

I believe that we have a clear and stark choice here. You can support or not support Senator DOMENICI's budget, but he makes the hard choices to balance the budget over the next 7 years. What my amendment does is make more hard choices, cut spending more so that in addition to balancing the budget, we can let the working men and women of America keep more of what they earn.

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

Mr. GRAMM. I yield to the distinguished Senator from New Hampshire.

Mr. DORGAN. I wonder if the Senator will yield for a question.

Mr. GRAMM. I will not yield.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. I thank the Senator from Texas.

Mr. President, in one of his debates, Ronald Reagan said ''There you go again.'' And here we go again. This is a historic debate in this Chamber. At no point in recent times have the differences between the two political parties been more evident than right now. On the Republican side, you have somebody offering tax cuts, spending cuts, slowing the rate of growth, balancing the budget, and on the other side it is business as usual: More spending, more taxes, no alternatives.

I was in this Chamber for many hours during the debate on the balanced budget amendment, and I heard it over and over and over again, speaker after speaker after speaker: We do not need the amendment. All we have to do is do it. What is the Republican plan? How come you do not tell us how you are going to do it?

Well, here we are. We are saying how to do it. We are saying balance the budget. You would not give us the amendment because you would not give us enough votes. We are now offering the amendment. We are offering the opportunity to balance the budget without the amendment. What are you doing? Talking and walking. That is what they are doing, talking and walking over there.

The Gramm amendment adds one more important component to the underlying Domenici proposal that has been missing, and that is very simply this. Either you want to let working Americans keep more of what they earn or you do not. You want to cut taxes for families and businesses so they can have more money to invest on their kids or in their businesses or you do not. That is what the Gramm amendment is all about. And I wish to commend the Senator from Texas for having the courage to come up with this bold proposal because the Senator from Texas knows that this is the essence of the Republican contract, the Contract With America, that was made with the American people, that put the Republican Senators in the majority in this Senate and put the Republicans in the majority in the House of Representatives. Republicans ought to be on this floor unanimously supporting the Gramm amendment today because without that contract and without that promise to the American people, you would not be in the majority. So if you want to break that contract, then vote against the Gramm amendment.

I am talking to my colleagues on this side of the aisle because I know where my colleagues are coming from on the other side of the aisle. This amendment, the Gramm amendment, allows for a 3-percent growth in the overall budget—not a cut. The Domenici plan is 3.3. So for 0.3 percent, Senator GRAMM is offering businesses and families more money to invest and to provide for growth.

The Gramm amendment makes a statement. It says we need to enact incentives for Americans to save and invest, penalty free withdrawals for homes, for education, medical expenses, marriage penalty tax credit, cut the capital gains rate, and index it for inflation, and a $500 a child tax credit.

This is the essence of the difference between the two parties, Mr. President, as I said. The tax cuts in the Gramm proposal are paid for with spending cuts. It does not undercut the Domenici proposal. It simply provides deeper cuts to provide the tax benefits to the American people.

We have seen a lot of polls lately that suggest the American people really do not want tax cuts. They are asked whether we would rather have tax cuts or deficit reduction. Well, of course, people will say we would like to have both, and you can get both right here in this proposal. When it is offered either/or, they will say, fine, balance the budget. We do not need the tax cuts. We will sacrifice. Balance the budget.

This is both. This is both. Ask the American people if they would support a budget that reaches balance and gives them a capital gains tax. Ask the American people if they would support a budget that reaches balance and allows penalty-free withdrawals for education or a downpayment on a loan. Ask the American people if they would support a budget that reaches balance and provides a $500 tax credit for each child. Ask them that and see what the answer is—not either/or, both. And that is what the Gramm amendment is all about. The choice is not between tax cuts and a balanced budget. The question is are you willing to cut spending enough to do both.

And again, the word ''cut'' is used very loosely because we are asking our colleagues on the other side of the aisle and some of the colleagues on this side of the aisle to support a proposal that limits the growth of the U.S. Government over the next 7 years to 3 percent. That is what we are asking you to do.

You were out in the Chamber time after time after time during that balanced budget amendment debate saying give us your plan; give us your plan; we do not need an amendment. All right, we did not get the amendment. Where is your plan? You defeated your President's plan 99 to nothing joining with us on the Senate floor. I have not seen yours. I am hearing all this talk, but I do not see any plan.

Frankly, I think the American people are sick of it. They were sick of it in the elections in 1994, and they are going to be even sicker of it after this debate. We have an opportunity here. History shows us that tax cuts create jobs. It is not the Government's money. It is your money. You provide it to the Government. Give the Government less. Leave it in your pocket, and you will create jobs, and you will employ more people, and we will have more tax revenues, and we will balance the budget even more quickly.

In closing, Mr. President, let me just say every Republican Senator and House Member, as I said, voted against that budget, the President's budget. The tax cuts included in the Gramm package total $173 billion. We are getting $173 billion back out of the $250 billion tax increase the President provided us last year. We do not even get as far at cutting taxes as Clinton went

in raising taxes. Now, that is not really too much to ask.

So, Mr. President, let me conclude by complimenting Senator DOMENICI for his courageous decision to meet this head on, and again to compliment Senator GRAMM for adding what I believe is a stronger amendment to this package to balance the Federal budget and to cut taxes, to do what the American people asked us to do when they elected us into the majority in November.

I yield back the remainder of any time I may have.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank him for his patience, and I am pleased to yield 4 minutes to my distinguished colleague, the senior Senator from Illinois.

Mr. SIMON. Mr. President, I thank my colleague.

I am pleased to stand up and say I think this is a bad amendment. Would I like a tax cut? Of course. We would all like a tax cut.

I have three grandchildren. I face the choice of sacrificing a little bit or building a better future for my three grandchildren. That is the fundamental choice. I do not have a hard time making that choice, and I do not think the American people have a hard time making that choice.

Let us move to a balanced budget. I commend PETE DOMENICI for moving toward a balanced budget. I do not happen to agree with the priorities, but he is moving in that direction. But the Gramm amendment would take, over a 10-year period, $594 billion in tax cuts.

Our history on these things, on legislative answers—and this is why we need the constitutional amendment—is they last for about 2 years, as our friend from Texas knows better than anyone else, and then they blow up in our face.

The danger is the Domenici plan will last 2 years and then we will discard it because it becomes too politically potent and we will keep the tax cut.

When the Senator from Arizona, Senator KYL, says you cut taxes and you get more revenue for the Federal Government, in 1981 we had both a Republican—the Ronald Reagan plan—and a Democratic plan to do precisely that. I voted against both the Republican plan and the Democratic plan. But I can remember Ronald Reagan saying, ''If you pass this, by 1984 we are going to have a balanced budget in our country.'' It did not make sense. This amendment does not make sense now.

And to cut back from the Domenici numbers, $40 billion in Medicaid—who are Medicaid recipients? Half of them are poor children. Forty billion dollars we are going to get here. If anyone thinks that $40 billion is not a tax cut, talk to any hospital administrator. That means we are going to cut back on what hospitals get for Medicaid. And what will hospital administrators do? They will shift it to the non-Medicaid, non-Medicare payment to the insurance companies, and our insurance rates go up all over the country.

If anyone thinks that is not a tax increase, they are just fooling themselves.

Oh, this is great politics. And my friend from Texas is good at politics. I commend him for standing up frequently on the courageous side of things. But this one is wrong. He is wrong. It is not in the national interest and his amendment should be defeated.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, I yield 4 minutes to the junior Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you very much.

Mr. President, at the outset of my remarks, I would like to point out to the sponsor of this amendment that, without this broad-brushing, these issues that a number of us on—the Senator said ''on the left''—on this side of the aisle voted for and supported the balanced budget amendment. In fact, Senator SIMON, my senior Senator, who is leaving the floor now, was an original sponsor of the balanced budget amendment and continued to press for that matter over the years. And so, this is not a partisan issue.

Mr. President, we ordinarily consider tax cuts when our economy needs economic stimulus, but economic growth is strong, so strong, in fact, that the Federal Reserve raised interest rates seven separate times to ensure that the economy would not overheat. And unemployment is low; our economy has created 6 million new jobs. Jump-starting the economy, therefore, is unnecessary at this time, and cannot be the motive for this amendment.

What is behind this amendment—as the chart over there indicates—is the notion that the Federal Government is too big. Now, that is something of an arguable point. It is true, for example that national defense consumed $81 billion in fiscal 1970, and increased to over $281 billion by fiscal 1994. However, in 1970, the $81 billion financed over 3 million soldiers, sailors, Air Force personnel, and marines, whereas the $281 billion we spent last year financed Armed Forces only about half that amount. The large dollar increases, therefore, do not really represent growth at all.

It is true, of course, that as a percentage of the economy, Government has grown. The Federal Government accounted for about 19.2 percent of the economy in 1959, and 22 percent last year. That is an increase of about 14 percent over the past 35 years. Where did that money go. Well, most of it went to Medicare and Social Security. These two programs alone increased from 2 percent of the economy in 1959 to over 7.2 percent in 1994—that is, they more than accounted for all of the growth in Government over the last 35 years. Everything else—discretionary spending, cash, nutrition, and housing assistance for the poor, agriculture—almost everything else went down. The only other Federal activities to increase in size as a percentage of the economy since 1959 are interest expense and Medicaid.

What these numbers all mean is that, to the extent the Federal Government has grown over the past 35 years, it has grown because Social Security and Medicare have become mature programs over that period. If you ask Americans whether they would prefer a tax cut, or whether they would prefer to reduce their retirement or health care security, the answer is, I think quite obvious.

Now, this amendment does not quite ask that question, but it does raise another one: would Americans rather have a tax cut, and sacrifice long-term medical care for the elderly, and medical care for the poor, and investment in our children's education, or would they rather give up the tax cuts, balance the budget, but continue to make essential public investments in education, and in health. I think the answer to that question is equally obvious. While Americans would very much like to balance the budget, they want to do so in a way that preserves essential investments in our future.

They know that the reason balancing the budget is so important is because we do not want to deprive future generations of their opportunity to live the American dream. And they know that trying to balance the budget in a way that reduces educational opportunity and cuts access to health care does not meet our obligation to our children—and their children. They know that simply is not fair. They know that it hurts both individuals and our country, because our future is diminished if every American does not have the opportunity to strive for the American dream.

And it is not just individual Americans who know that America's future depends on making the right choice. Financial markets know it also. If the Senate adopts this amendment and the tax cuts become law, we will have undermined our commitment to real deficit reduction, and we will have ignored our responsibility to the future of Americans and to America. The results of that will be continued declines in our national wealth, a renewed fall of the dollar, a widening of the gap between rich and poor, and diminished opportunities for many Americans and for our Nation as a whole.

The simple truth is that we are all in this together—we are all Americans—and the way we balance the budget should reflect that fact. A tax cut that is unneeded to stimulate our economy makes no sense. A tax cut that creates confusion in the minds of financial markets as to whether the United States is committed to deficit reduction makes no sense. And a tax cut

that undermines the essential purpose of balancing the budget in the first place—protecting future opportunities for our children and our country—is not what Americans want and must be defeated.

I would point out, my previous colleague made the point that fiscal year 2002 still has a deficit here of $113 billion. It seems to me that a $113 billion deficit is like being just a little bit pregnant. I believe we should focus our attention on deficit reduction instead of irresponsible promises of a chicken in every pot to make political points.

I urge my colleagues, therefore, to defeat this amendment.

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

Who yields time?

Mr. GRAMM. Mr. President, I yield 10 minutes to the distinguished Senator from Mississippi.

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

Mr. LOTT. Mr. President, I want to thank the distinguished Senator from Texas for yielding me this time.

I rise in support of the Gramm amendment to the 1996 concurrent budget resolution. I have said on the floor of the Senate before that, along with balancing the budget, which is very important, we need to provide some tax relief for all Americans, especially families.

Slowing the rate of growth in Federal spending is not just a political exercise or an accounting endeavor. The Federal Government is financed by the hard work of the people. If Government is to be made smaller and, thus, costs less, then Americans should be able to keep more of their hard-earned cash.

As I listened to the debate here in the Senate, it seemed to me that there are Senators or a Senator that will speak for almost every group in the country, many times for good reasons: whether it is education or Medicare or the elderly or the defense program. But rarely do we have people that stand up here in the Senate and speak up for the working taxpaying Americans.

Who among us is willing to do that? Senator GRAMM of Texas is willing to do that.

It seems to me if we are going to control the rate of growth in the Federal Government spending by over $1 trillion over the next 7 years, should not the people that are paying the bills, carrying the load, doing the work, get just a little bit of the relief?

And I want to ask my colleagues: What is it you object to in this list of tax cuts? I felt very strongly that we should have had these tax cuts in the body of this resolution. I am pleased that we have the dividend that is designated for tax cuts. But I really think we should make it clear that we want some of these changes. And what we are talking about is some tax cuts that will encourage growth.

Whatever happened to the idea that one of best ways to reduce the deficit is to have growth in the economy? We have heard that for years. President Clinton has even talked about that.

And the economists all indicate they are worried about savings. How about the idea of letting the people get a little consideration to encourage them to save more?

So let us encourage investment and growth and savings. That is what these tax cuts do.

And, also, how about a little more fairness in the Tax Code? There are so many problems with the Tax Code you cannot begin to enumerate them all. But when you start talking about things like allowing wives working in the home to be able to have an individual retirement account, who is against that? That is fundamental fairness. Everybody can have an individual retirement account at certain levels of income, but not the spouse working in the home. To me, correction of this is just basic fairness.

How about the marriage penalty credit? For years, Congress has talked about how we need to get rid of this marriage penalty, and yet it just lives on. This tax cut would deal with that problem.

What about the idea of our elderly? We have a lot of our elderly who would like to keep working. But now if they keep working, many times when they need it and when we need them, they get penalized.

These tax cuts would include, among other good things, raising the Social Security earnings test threshold. We should do that. I would like to eliminate it, but this proposal would take the threshold up to $30,000.

So you see, we are talking about some things that will help families and wives, married couples, small businesses and our elderly in a real way.

We have a provision in here that would provide small businesses estate and gift tax relief. The people who own small businesses run the risk of losing everything they have or affecting what they do because of these tax penalties.

And we should have the capital gains tax rate cut. When I go home and I ask the people of all backgrounds and economic stations in life, should we have a capital gains rate cut, ''Absolutely,'' they say, we should do that. It never ceases to amaze me that in Washington, DC, a capital gains tax rate cut is fought. But out where people are creating the jobs and when they want to be able to sell timber or timberland, they understand that a capital gains tax rate cut would help them and would help the economy and would create jobs. But not in Washington, no.

What about the $500 tax credit per child? Why do we not want to let the families with children keep a little bit more of their own money, let them decide how they want to spend money for clothing and schools and food for their children? Oh, no, it is much better to have a program from Washington that does it for you or tells you how you must do it. This would allow the decisions to go back to the families with children. Let them decide how to spend their money.

I want to point out that this is not an insignificant consideration either. It really would make a difference in the family income. I would like to have printed in the RECORD, Mr. President—it may have already been done, but I want to make sure it is in here—an article in the Washington Post on May 16 by James K. Glassman entitled ''Yes, Cut Taxes.'' I ask unanimous consent that that be printed in the RECORD.

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

YES, CUT TAXES

(By James K. Glassman)

Critics of the Republican budget in the press, Congress and the White House may be drastically underestimating the power—both political and economic—of those tax cuts the House passed in April. I know I did.

First, a little history. The Republicans won the November congressional elections, using a contract that pledged a balanced budget and a tax cut.

President Clinton figured they couldn't do it, so his strategy was to sit back and let them take the heat for overreaching. His February budget opted for the status quo, which means annual deficits of $200 billion-plus forever.

Now, the Republicans are offering their official budget plans, and—whaddaya know?—they show they can indeed balance the budget by their target year, the palindromic 2002. And they can do it by increasing spending in each year by an average of $45 billion.

But skeptics see two problems. The first is Medicare. Republicans want to increase spending on the program by about 6 percent annually instead of 10 percent. In Washington parlance, this is a ''cut'' of $280 billion, so it's not expected to be easy to sell.

The second problem is tax cuts. Sen. Pete Domenici (R-N.M.), who heads the Senate Budget Committee, said Sunday, ''We don't have a tax cut until we balance the budget.'' But his House counterpart, Rep. John Kasich (R-Ohio), things, the country can have both at the same time.

The trouble with tax cuts is that they're hard to justify at the same time you're ordering painful limits—and some outright reductions—in spending. Also, it's likely that a total restructuring of the tax system (a flat tax or a national sales tax) will be a big issue in next year's presidential election. So why piecemeal changes now?

In the past, I made these same arguments in urging Congress to shelve the tax cuts. But that was before I did something that most journalists (and even politicians) still haven't done: I took a close look at the tax bill.

Now I'm changing my mind. The tax changes are a political plus—and likely an economic plus as well. Once Americans understand them (and few do now) they're apt to become very, very enthusiastic. Reluctant politicians risk being trampled.

The two main provisions of the tax bill, H.R. 1215, are these:

(1) Nearly every family with children can reduce its final tax bill by $500 per kid.

For example, the average household headed by a married couple has an income of about $50,000 a year. If that family has three children, its current federal income tax bill, according to a study by Price Waterhouse, is $4,643.

But if H.R. 1215 becomes law, the family's tax bill well be reduced by $1,500—to $3,143, a

cut of a whopping 32 percent. Such a family with two children would save 20 percent, with four children, 47 percent.

These are huge cuts, perhaps unprecedented in U.S. fiscal history. Yet I doubt that most Americans know much about them. The press coverage of H.R. 1215 earlier this year was dominated by a specious controversy over whether tax relief benefited the wealthy. Of course, it does—but only if the rich are willing to invest their money, not spent it. Which brings us to the second element . . .

(2) Taxes on capital gains will be cut dramatically.

This is the part that's meant to encourage investing, and it's a fact that most investing is done by families with higher incomes. But the capital gains cuts in H.R. 1215 aren't a replay of the Reagan tax cuts, which didn't work as advertised.

Those 1986 cuts lowered the tax rates on income (salaries, bonuses, interest on bonds) but actually raised the rates on capital gains (profits from the sales of assets like stocks and real estate). As a result, the changes encouraged consumption, but not investment. In fact, the paltry U.S. savings rate actually fell.

The changes in the tax bill the House passed in April are directly targeted at investment—and they're extremely powerful.

The bill does two things: First, it reduces a family's capital gains rate to one-half of its income-tax rate. So, if you're in a 28 percent bracket (taxable income of $38,000 to $92,000 for a couple filing jointly), you'll pay just 14 percent on your stock profits.

Second, the bill indexes capital gains, which means that you only pay taxes on real profits, not on inflation. Indexing can produce huge tax savings—but only for long-term investors. And long-term investors are what the U.S. economy desperately needs; they provide the capital that creates good jobs.

Consider a family with taxable income of $80,000 a year that buys 200 shares of Wal-Mart at $25 a share, holds the stock for six years, then sells it for $50 a share—a profit of $5,000.

Right now, taxes would be $1,400 (28 percent of $5,000). But under H.R. 1215, if inflation over those six years averaged about 3 percent, the family would pay tax only on its "real" (non-inflationary) gain—on $4,000 rather than on $5,000. And the rate would be just 14 percent. So the tax bill would be $560 instead of $1,400, a reduction of 60 percent.

Would capital gains cuts of that magnitude entice Americans to save and invest rather than to consume? It's a good bet.

The tax changes in H.R. 1215 would mean that the Treasury would receive about $80 billion less revenue in 2002 than it now expects. That's a shortfall of about 4 percent that would have to be met with extra spending restraint. is the trade-off worth it? It's more and more clear the answer is yes.

Mr. LOTT. Mr. President, I quote from that article I think the most pertinent part:

(1) Nearly every family with children can reduce its final tax bill by $500 per kid.

For example, the average household headed by a married couple has an income of about $50,000 a year.

Not rich folks; these are middle-income, working people.

If that family has three children, its current Federal income tax bill, according to a study by Price Waterhouse, is $4,643.

But if—

This amendment is added to the budget resolution—

The family's tax bill will be reduced by $1,500—to $3,143, a cut of a whopping 32 percent. Such a family with two children would save 20 percent, with four children, 47 percent.

This is a significant move to help families with children.

So, Mr. President, when I look down the list of provisions in this tax cut, I ask—in fact, I challenge—Senators to come out here and tell me which one of these they are against.

Are you against providing tax incentives for the purchase of long-term care insurance? How about a home office deduction for small business men and women, individual entrepreneurs that work out of their homes? Everybody else gets a deduction for office expenses but not if you work in your home. More and more Americans are doing that, are able to do that, or are going to have to do it in the future.

So I think there are many good provisions in this legislation. I urge the Senate to support it. It does have the support of a number of groups that are interested in encouraging growth and savings in the business community. The Heritage Foundation indicated that 490,563 children in my State of Mississippi would be eligible for the per child credit that I spoke of a moment ago. That means almost $245.3 million of this hard-earned cash would be returned to the families in my State.

In President Clinton's home State of Arkansas, there are 458,547 children who would benefit from the per child tax credit. That is about $229 million more than Arkansas families will get back without this tax credit.

So I think, Mr. President, we have an opportunity to really help the economy and to help the families in this country. We should add this amendment to the resolution. Then, when we go to conference, while there still would be some differences, we could work out those differences and have tax relief in this very important legislation.

So I urge the support of the Gramm amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I ask unanimous consent to print a series of letters in the RECORD in support of the amendment by the National Taxpayers Union, by Citizens for a Sound Economy, by the Christian Coalition, by Traditional Values Coalition, by the Family Research Council, by Concerned Women of America, by the Business and Industrial Council, and by the National Federation of Independent Business.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL TAXPAYERS UNION,
Washington, DC, May 22, 1995.

DEAR SENATOR: The 300,000-member National Taxpayers Union (NTU) strongly supports the FY 1996 Budget Resolution (S. Con. Res. 13) as reported by the Senate Budget Committee. A vote FOR the Committee's Budget Resolution will be scored as one of the most heavily-weighted pro-taxpayer votes in our 1995 Rating of Congress. NTU opposes any attempts to increase the spending projected in the Budget Resolution. "No" votes on such amendments will likewise be included as pro-taxpayer votes in our Rating.

We are pleased that for the first time in fifteen years the Senate Budget Committee has reported a Budget Resolution to balance the budget without raising taxes. While the Budget Committee has outlined significant spending cuts, the final proposals will be drafted by the authorizing and appropriations committees. The Committee has made suggestions that NTU has supported for many years, including the termination or privatization of many government programs. It also begins the long-overdue process of reforming Medicare, which is headed for bankruptcy in a few years.

Unless current trends change soon, funding increases in major entitlement programs will slash the after-tax income of the average American worker by almost 60% over the next 45 years. After-tax income would plunge from $19,000 in 1995 to $7,821 in 2040. As bleak as this projection may seem, it is based on an optimistic assumption that pre-tax incomes will rise faster over the next 45 years than they have over the past 20. This spending growth is not sustainable, and if allowed to grow unchecked will permanently damage our children's hope for a better future.

In the world economy, the advent of the Information Revolution will give a huge advantage to efficient governments. Because computers allow most economic transactions to occur literally anywhere, competition between jurisdictions expands by the day. That necessitates a revolution in the way government is financed and a radical downsizing of its activities. The budget restraint in this resolution will force necessary reexamination and reform of many government programs.

While we fully support the Budget Resolution, we are disappointed that it does not project passage of the important tax reduction proposals that the House passed last month. Therefore, we support an amendment by Senator Phil Gramm and others that would further restrain spending growth, accommodate most of the House-passed tax cuts, and still balance the budget by 2002. It is vitally important that Congress also reduce the tax burden on middle-class taxpayers and the present tax disincentives for savings, investment, and economic growth. The typical American taxpayer has to work until May 6 this year just to pay his federal, state, and local taxes. Overburdened taxpayers expect and deserve substantial relief from this crushing tax load. A vote for the Gramm amendment will be included as pro-taxpayer vote in our Rating.

Through almost 200 years of American history, our leaders strove to follow Thomas Jefferson's wise advice: "We shall consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves." Passage of the Budget Resolution is essential if Congress hopes to restore a fiscally sound future for the next generation.

Sincerely,

DAVID KEATING,
Executive Vice President.

CITIZENS FOR A
SOUND ECONOMY,
Washington, DC, May 17, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: I am writing on behalf of the 250,000 members of Citizens for a Sound Economy (CSE) to register our support for your proposal to balance the budget by 2002 by cutting taxes and slowing federal spending growth.

In order to encourage a growing economy that creates new, high-paying jobs and rising living standards for our children and grandchildren, we must bring federal spending under control. Your proposal does this by limiting federal spending increases to 3.3 percent per year. Cutting taxes and capping the dollars available for the federal government to spend would mean more dollars for American families to spend. Letting Americans spend and invest their money as they like, instead of allowing the government to spend their money for them, is one of the best things Congress could do to strengthen our economy.

Americans are faced with chronic federal budget deficits because of ever-increasing government spending. CSE strongly supports your plan because it would cut taxes and help bring federal spending under control, thereby resulting in the first balanced budget in a generation.

Sincerely,

PAUL BECKNER,
President.

CHRISTIAN COALITION,
CAPITOL HILL OFFICE,
Washington, DC, May 8, 1995.

DEAR SENATOR: On behalf of the 1.5 million members and supporters of the Christian Coalition, I am writing to urge your support for Senator Phil Gramm's proposed substitute amendment to the Concurrent Budget Resolution for FY '96 when it comes to the floor next week. This amendment will provide for tax relief and growth incentives as promised in the Contract With America.

The American family has repeatedly been promised tax relief, only to see those promises broken. That is why the recent passage by the House of Representatives of the family tax relief promised in the Contract With America was particularly gratifying. But the American people do not make differentiations between the House and the Senate—they only know that Republicans campaigned on the Contract With America and that the 1994 elections were a mandate to the Republican party to pass the Contract. That is why we are writing today to urge the Senate to stick with the tax relief promised in the Contract With America.

Although all Americans have been impacted by today's high taxation level, families with children have particularly felt the impact due to the diminished value of the personal exemption. The personal exemption protected 68 percent of the average family of four's earnings from taxation in 1948, but it has not kept up with inflation and higher income. If it had done so, it would today be between $7,000 and $8,000. The American family pays more in federal, state, and local taxes, than it does for food, clothing, and housing combined.

It is important to remember that in asking for the $500 per child tax credit, families are not asking for a new subsidy, a new entitlement, or a new spending program from the government. They are asking to keep more of their own hard-earned income in order to raise their families.

We urge the Senate to put families first and support the Gramm substitute amendment when it comes to the floor next week. This is the family dividend of budget reduction. Thank you for your attention to our concerns.

Sincerely,

RALPH E. REED, JR.,
Executive Director.

TRADITIONAL VALUES COALITION,
May 12, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM. Next week the Senate will begin consideration of the budget resolution. On behalf of Traditional Values Coalition's 31,000 member churches I am writing to urge you to support Senator Phil Gramm's amendment.

For too long special interests have had more clout and control over the budget process than working families. In addition, over the last few decades Washington has shown a lack of financial discipline, forcing working families to shoulder the burden of increased government spending and higher taxes. Traditional Values Coalition believes that it is now time for Congress to change its priorities and focus by providing tax relief to the parents of 52 million children. With the passage of the Contract with America, the Houses has acknowledged this injustice toward working families. I hope the Senate will as well.

Senator Gramm's amendment will restrain the growth in federal spending by $94 billion over five years and provide desperately needed tax relief for 29 million hardworking families. TVC believes cuts in wasteful government spending will pay for the family tax relief. These spending cuts should come from eliminating hundreds of programs ranging from the Uranium Enrichment program ($1.6 billion) to the National Endowment for the Arts and Humanities ($1.4 billion) and by privatizing the Corporation for Public Broadcasting ($1 billion).

In the 1950's, the average American family paid 3% of their income in federal taxes. Today, the average family sends 25% of its income to Washington. It is outrageous that the average working family pays more to the tax man than it spends on shelter, food and clothing.

Traditional Values Coalition believes that working families are better equipped to make decisions on how to spend their own money than bureaucrats in Washington. Working families are not asking for anything special or an entitlement. They are simply asking for the government to return what rightfully belongs to them—their hard earned money.

Traditional Values Coalition considers Senator Gramm's amendment pro-family and pro-growth. Last year Congress put spending first, this year put families first.

Sincerely,

REV. LOUIS P. SHELDON,
Chairman.

FAMILY RESEARCH COUNCIL,
Washington, DC, May 10, 1995.

DEAR SENATOR: I am writing to express my support for an amendment Senator Gramm plans to offer to the budget resolution when it reaches the Senate floor later this month. The amendment would significantly reduce the tax burden on America's families by adopting a $500 per-child tax credit and a variety of other tax measures (including a deduction for adoption expenses, spousal IRA benefits, etc.) which are very much needed.

The Gramm proposal allows the Senate to adopt the ''crown jewel'' of the House GOP's Contract With America. It recognizes that the electoral revolution that occurred last November 8 was driven in no small part by a desire on the part of the American people to see the size of government reduced and the amount of disposal income available for their use increased.

As you know, the 1986 White House Working Group on the Family that I chaired for President Reagan had as its central recommendation a dramatic increase in per-child tax benefits. The Senate has an historic opportunity to address this long overlooked area of tax law and to demonstrate to the American people that it is working to make the kinds of changes Americans voted for last November.

While I recognize that some legislators perceive tax relief to be at odds with the important goal of deficit reduction, it is important to point that the Gramm proposal—like the House GOP Contract—provides both significant tax relief and significant deficit reduction. As such, it recognizes that these two important goals are not mutually exclusive.

I urge you, therefore, to enthusiastically support Senator Gramm's efforts. Please let me know if you would like additional information about this subject from me or any member of my staff.

Sincerely,

GARY L. BAUER,
President.

CONCERNED WOMEN
FOR AMERICA,
Washington, DC, May 12, 1995.

Hon. PHIL GRAMM,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR GRAMM: Concerned Women for America is the nation's largest pro-family women's organization with over 600,000 members. For many years CWA has worked on legislative efforts to allow American families to keep more of their hard-earned money. Thus, we have worked diligently in favor of the $500-per-child tax credit, homemaker IRA equity, and tax credits for adoption expenses.

We are very disturbed by the increased tax burden on families which often compels both parents to enter the work force in order to make financial ends meet. In 1948 the median family of four paid only two percent to of its income to the federal government in taxes. However, in 1989 the same family paid nearly 24 percent in federal taxes. Adding on state and local taxes, over one-third of that family's income will be spent on taxes.

Families in your state need you to stand firm on their behalf. The House GOP ''Contract With America'' was passed because the voters made their voices heard last November. Tax relief for families was a vital component that helped to spark that revolution. Now it is time for the Senate to do its part to fight for families. Otherwise, the Senate will shoulder the voters' outrage and become the weak link in the fight for smaller government and less taxes.

CWA cannot compromise on this principle. This issue is not about class warfare. It is arrogant and baseless to assert that government cannot afford to allow families to keep more of their own money. Families should not have to suffer for the appalling lack of discipline and will in Congress to cut federal spending!

Please join Concerned Women for American in supporting the Gramm amendment to the Senate Budget. CWA members in your state, and all America's families, will remember your vote.

Sincerely,

BEVERLY LAHAYE,
President.

UNITED STATES
BUSINESS AND INDUSTRIAL COUNCIL,
Washington, DC, May 16, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: In recent testimony to the Congressional Joint Economic Committee, Milton Friedman has calculated the aggregate cost of direct and indirect government expenditures at a staggering 50 percent of national output. About half of the

U.S. Gross Domestic Product is taken in taxes by the government at the federal, state, and local levels, including the costs of complying with excessive government regulations. Moreover, the Institute for Policy Innovation states that 50 percent of the average family's budget goes to pay taxes to all levels of government. Clearly, the federal government is far too big and is taking too much from our economy. The Congress needs to drastically cut spending and also cut taxes.

USBIC strongly supports your proposed amendment to the Senate Budget Resolution which would cut spending further in order to achieve the crucially important tax cuts already passed by the House as part of the Contract with America. Your amendment would combine the savings from lowering non-defense discretionary spending ($117 billion over seven years) beyond the reductions already in the Senate Budget Committee Resolution, with Medicaid savings derived from accelerating the decrease in the rate of growth in Medicaid. In addition, your amendment would use the ''dividend'' projected by the Congressional Budget Office resulting from balancing the budget by 2002. All of these additional spending cuts and savings would be combined to pay for $173 billion in tax reductions over five years. We are delighted that your amendment would preserve the following crucial tax cuts already in the Contract—capital gains tax reduction and indexing, small business estate and gift tax relief, small business expensing, and repeal of the corporate alternate minimum tax. USBIC believes that the capital gains tax cut alone, if scored dynamically rather than statically, will increase revenues by $150 billion over five years, thereby in-and-of itself almost paying for all the other tax cuts yet a second time.

We represent 1000 small and medium-sized, mostly family-owned businesses nationwide. As you know, such businesses employ half of our nation's workforce and create two thirds of all new jobs. Such businesses are the bedrock of the nation's economy, yet they are being severely squeezed by high taxes and excessive regulations. Your amendment preserving the vitally needed House tax cuts will strongly improve the nation's economy by stimulating investment, growth, and new jobs.

Sincerely,

KEVIN L. KEARNS,
President.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
Washington, DC, May 16, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: On behalf of the more than 600,000 members of the National Federation of Independent Business (NFIB), I am writing to support your amendment, the Contract with America Tax Fairness and Deficit Reduction Act, to the FY 1996 Budget Resolution.

For the first time in decades, the Congress is debating a resolution that puts the federal budget on a permanent path to a balanced federal budget. Your amendment would make possible significant tax relief for American families and small businesses while balancing the budget by the year 2002. It returns hard-earned money to families and small businesses who know best how to spend it.

NFIB members strongly support a balanced federal budget and believe their taxes should be reduced. High taxes consistently rank at the top of the list of concerns for small business owners in surveys conducted by the NFIB Education Foundation.

Important tax relief for small business includes: small business and family farm estate tax relief, incentives for retirement savings, and capital gains tax reduction and indexing. Your plan includes all of these proposals and more.

We applaud your efforts and look forward to working with you.

Sincerely,

JOHN J. MOTLEY III,
Vice President,
Federal Governmental Relations.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I yield 4 minutes to the Senator from Connecticut.

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

Mr. DODD. Mr. President, I thank my colleague from Nebraska.

Let me just begin by stating something that may put me within the minority here. I am opposed to all tax cuts in this bill, not because I am opposed to tax cuts. I think they ought to all be postponed—that is my own view—whether they come from one source or another. If we are honestly dealing with deficit reduction, tax cuts ought not be on the table.

But I do want to rise and express my opposition to the particular proposal being offered today because I think it is particularly egregious and creates serious problems for our country.

My colleague from Texas, with whom I serve on the Banking Committee, has often and very colorfully talked about who is in the wagon and outside the wagon. I raise here a picture of the good old chuck wagon. I call it the Republican tax cut wagon.

I am going to use the wagon metaphor to explain to people, if I can, what we are talking about with this proposal. The wagon metaphor is a potent one.

If we apply it to the Contract With America's tax cut, I think people will get a clear picture of what we are talking about. If you take off the wagon's cover and show what is inside this tax-cut wagon, you get a clear picture of what is occurring.

More than 51 percent of those riding in this tax-cut wagon are the wealthiest 12 percent of our population in this country earning more than $100,000 a year. In fact, the richest 1 percent, the best off of the population, of those earning over $350,000 will reap, under this proposal, an average windfall of $20,000 in tax breaks. People earning over $200,000 will receive a tax break in excess of $11,000. Is it any wonder that a recent Wall Street Journal article described the House GOP tax-cut package, much of what we are voting on today, in these words, and I quote the Wall Street Journal:

> Don't do anything yet, but start salivating. The tax bill passed Wednesday by the House of Representatives could turn out to be the biggest tax-saving bonanza in years for upper-income Americans.

While the tax-cut package represents a bonanza to the very well off, families earning $20,000 to $30,000—this area down here, Mr. President—will have their tax cut by only $247 per year. Those earning $30,000 to $50,000 will get a tax cut of $569 a year. That is about $1.50 a day.

Collectively, these families, shown in orange on the chart, represent 35 percent of all American families, but they will receive less than 15 percent of the benefits under this tax cut.

The least affluent, 25 percent of American families, earning less than $20,000 a year, shown in red, Mr. President, this thin column here, will receive a tax cut of $20 to $90 a year.

Now that we have a better understanding of who is riding in the wagon, let us take a look at who is truly pulling the weight. The contract's tax cut package will cost $345 billion over 7 years and $639 billion over 10 years. How is this going to be paid for? By some of the most draconian, in my view, cuts presented on the floor of this body. Medicare recipients who have a median income of $17,000 will pay an additional $3,200 in the next 7 years.

I do not argue the fact that Medicare needs to be addressed, but we might be more creative in solving that problem than using those dollars to pay for a tax cut, as I pointed out earlier, that goes to upper-income people. After decades of hard work, the seniors face retirement years full of anxiety—all of us know it—and squeezed by medical bills. Medicare problems are a symptom of a larger problem. It did not create the problem. More than 12 million working families will have to pay higher taxes because of the Republican proposal to cut some $21 billion from the earned income tax credit, a program that President Ronald Reagan called ''one of the best programs we can possibly have to offer to the working poor in this country.''

In Connecticut, these cuts will increase taxes on 87,000 working families by an average of $1,400 over 7 years. College students, Mr. President, will see the cost of a diploma rise by anywhere from $2,000 to $5,000 as a result of cuts in the student loan interest subsidy and other programs.

Mr. President, in my opinion, it is the height of hypocrisy to bemoan the fact that some Americans are riding in the wagon while others are pulling and then turn around and offer a massive tax cut and ask working families, students, and seniors to foot the bill for a tax break for the more affluent in our society.

Mr. President, I just feel, here again—and I say this with all due respect to my colleagues that are proposing this—this is not a time for this kind of a tax cut here at all. We cannot afford it. Deficit reduction ought to be the name of the game. If we are going to have deficit reduction, if we are going to ask people to pay, then to offer 12 percent of the American population to become a beneficiary of 51 percent of this break, it seems to me ill-advised and wrongheaded.

My hope is that this amendment will be rejected and we will come together around a sound budget alternative. I thank my colleague from Nebraska.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I would like to say to my dear colleague from Connecticut that that is a fine looking wagon.

Mr. DODD. Not if you look on the inside of it.

Mr. GRAMM. It is beautiful both inside and out.

I would like to make a couple of simple points. No. 1, our colleagues always get confused when we are talking about tax cuts. They are always thinking about welfare. So they cannot understand when we cut taxes that people who do not pay any taxes do not get a tax cut. Those people are already riding in the wagon. I did not see 40 million people on welfare riding in that wagon. I did not see $350 billion taken away last year from working people to give to the people riding in the wagon.

When our colleague says that someone with a certain income level only got a $120 tax reduction, since the credit is $1,000 for a two-child family, that means they were only paying $120 in taxes. Tax cuts are for people who are paying taxes. In terms of all this business about rich people, I go back to my point: How can we be a country that loves jobs and hates the people that create them? The only way rich people will benefit from the capital gains tax rate is to invest money and be successful. If they invest money and they are successful and they do create jobs and the Federal Government takes a substantial portion of what they earn, why should they not benefit? What is wrong with profits? Is America the only country in the world as we are going into the 21st century where capitalism is a dirty word?

This is something I do not understand. This is a different perspective on America than I have ever seen. Again, I think it does clearly define the vision that I am talking about versus the old and tired vision which has dominated American Government for 40 years. It is almost as if it is better to have people in misery as long as we can rub everybody's nose in it, rather than trying to create incentives for economic growth. Redistributing wealth does not solve poverty. Creating wealth does solve it, and that is what the debate is about.

I reserve the remainder of my time.

Mr. EXON. Mr. President, I yield 4 minutes to my colleague from Arkansas.

Mr. BUMPERS. Mr. President, I thank the distinguished floor manager. Let me say, first of all, capitalism is not a dirty word. Crazy budgeting is what is crazy. It is not dirty, but it is crazy. Everybody in this body is always saying, ''This is what the people want. They want term limits, and they want a constitutional amendment to balance the budget.''

Let me show you what 70 percent of the people in this country want. This chart shows a USA Today poll which asks, ''Do you prefer deficit reduction or tax cuts?'' Seventy percent say that if we are going to cut spending, we should apply it toward deficit reduction. That's almost three times the number of people who prefer tax cuts.

So what are we doing here? We are thwarting the obvious will of the people. The amendment of the Senator from Texas reminds me of turning a child loose in a candy store. I cannot think of anything in this amendment that I would not love to vote for, except the very regressive part of the tax which rewards the rich and takes from the poor. The Senator's amendment has a new IRA, it has a deduction for caring for the elderly. It has all kinds of tax breaks that I would love to vote for. But Mr. President, we cannot afford this, and the people of this country do not believe it is possible to have these tax cuts and balance the budget, too.

When I ride home on an airplane, I talk to the people around me, and they say, ''Senator, the thing that troubles me about you Democrats is you engage in class warfare.'' I hear that very often. I suppose Rush Limbaugh has talked about it, otherwise, so many people would not be talking about it.

But who is really engaging in class warfare here? Look at what the amendment of the Senator from Texas does. It gives a whopping $124 a year to people who make zero to $30,000 a year. That is a pizza every third Friday night. And when you take away the earned income tax credit, they pay a lot more. They not only do not get the $124, they wind up losing a substantial amount every year. But what about people who make over $200,000 a year? What kind of tax cut would they get out of this amendment? They would get a cut of $11,266. Why, Robin Hood would be whirling in his grave—taking from the poor to give to the rich.

They say, ''You Democrats talk too much about class warfare.'' If that is not class warfare, I do not know what is.

Mr. President, the last time we had a balanced budget was when Lyndon Johnson dumped the Social Security trust fund into the budget. And since that time, we have had integrated budgets. Social Security has been counted. Otherwise, the deficit would have been much, much bigger. So what do we do under this budget? We are going to take $600 billion of Social Security funds over the next 7 years to pretend to the American people that we have achieved a balanced budget. And the Senator from Texas comes with an amendment that will only cost $350 billion—talk about deja vu. I heard all of this in 1981, $3.5 trillion ago, how we can cut taxes and balance the budget.

Mr. President, I divinely hope our colleagues will not accept this amendment. I yield the floor.

Mr. EXON. Mr. President, I have one or two speakers scheduled to come. I will make a few comments before recognizing those who indicated they would like to speak on this subject.

Let me say that the debate has been very interesting and very challenging. I will simply say that I hope all Senators will realize and recognize that this is a very key amendment that we must defeat if we are going to truly balance the budget and not try to fool the American people.

Time and time again, it has been said that we cannot have a tax cut and balance the budget, too. I reference once again the fact that I was hearing the same story on the floor of the Senate in the early 1980's when a massive tax cut was proposed at the same time the President of the United States was going to balance the budget in 4 years.

Now, I think the President of the United States at that time was just not well informed. I happen to think that the numbers simply will not add up. I think most realistic people will say, while it would be nice—this Senator and everyone on this side and certainly everyone on that side would like to have the opportunity to provide a tax cut—the overriding problem in America today is the deficit.

Certainly, this Senator would be the first one to join the bandwagon for a tax cut that was targeted at middle-income America. Certainly, the $500 credit for school-age children would be one that I would be attracted to.

I have to say, as a fiscal conservative, and I think no one can question that, as one who voted for the balanced budget amendment, the last big vote we had in the Senate with regard to who wants to get things done, I simply say that I believe the measure being offered by the Senator from Texas, which is an incorporation of Speaker Gingrich's crown jewel of America, as far as the Contract With America is concerned, is simply unrealistic. I hope very much it will be defeated.

Mr. DORGAN. Mr. President, I wonder if the Senator will yield to me for a question.

Mr. EXON. I am happy to yield.

Mr. DORGAN. Mr. President, I used this chart a while ago and the Senator from Texas did not yield for a question. This chart is page 7 of the budget resolution that is before the Senate.

I ask the Senator from Nebraska if this is not accurate. I notice that the Senator from Texas says, ''With this plan of ours, the budget is balanced. So now, we will go give tax cuts.'' Of course, tax cuts for the wealthy but, nonetheless, tax cuts.

Page 7 of the budget resolution says ''Deficits.'' On line 21, the year 2002, a $113 billion deficit remaining in the year 2002.

Is it not true that this budget resolution does not come to the floor saying we balanced the budget; it comes to the floor saying we have a $113 billion deficit in the year 2002?

Mr. EXON. Mr. President, I answer my colleague from North Dakota by

saying he is absolutely correct. The figures that he cites are in the budget resolution.

What I think the Senator from North Dakota fails to recognize is that the tooth fairy is going to take care of that deficit. With that explanation, I am sure that the Senator will be fully satisfied.

I reserve the balance of my time.

Mr. GRAMM. I guess one of the things that is always frustrating about political debate is that it is so seldom that we will really talk about the issues that are involved. So we have drifted far afield from those issues.

I would like to go back and try to set them all in perspective. I am going to reserve my final moments to conclude the debate, and I will allow the Democrats to speak until their time has expired.

First of all, this is not a debate about balancing the budget versus cutting taxes. I am not proposing to cut taxes, except to the degree that spending is being cut beyond the level contained in the budget resolution.

I am proposing, if we look at this chart, very simply to do this: The red line here starts off with the Federal Government spending roughly $1.5 trillion this year. It shows how much the Government can spend over the next 7 years and still balance the unified budget of the United States of America.

What I am proposing is to cut spending below that level so that rather than the Federal Government investing in the education of our children, families can invest in the education of our children; only the families will know the names of the children they are investing in. Only the families will have a stake directly in those children.

My proposal is to cut Government spending on things like Government subsidies to business, so we can cut the capital gains tax rate, so that we can provide incentives for investment decisions to be made by people who are going to benefit or lose in those investment decisions, so that the marketplace, based on competition and efficiency, can make investment decisions.

With regard to the debate about the income level of the people paying the taxes, the point is if we give a $500 tax credit per child in America, if someone is not paying $500 worth of taxes, they do not get the tax credit.

But then what we are trying to do is to deal with a problem that in 1950, the average family with two children was sending 1 out of every $50 it earned to Washington for the Congress to spend; today the average family in America with two children is sending $1 out of every $4 to Washington for the Congress to spend. I want to let families spend more of their own money on their own children for their own future. That is what this debate is about.

If we ask people if they want to balance the budget or cut taxes, they say balance the budget. I agree. If we ask do I want my children to be healthy or do I want them to go to college, I want them to be healthy. When their health is secured, I then want them to go to college. I do not have only one objective for my children.

We have set out a budget that balances the budget. What I am proposing to do is to cut Government spending further, eliminate the Federal Department of Education, reduce subsidies to business and cut taxes by that amount so that families can invest more of their own money rather than having Government spend their money for them, and cut the capital gains tax rate and let businesses invest their money as they see fit, rather than us subsidizing businesses to invest money where we would like it to be invested.

That is what this debate is about. I reserve the balance of my time.

Mr. EXON. Mr. President, I yield 6 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 6 minutes.

Mr. LAUTENBERG. Mr. President, I thank my friend and colleague, the ranking member of the Budget Committee.

I think we are getting down to where this debate is all going to be in the RECORD and the decisions will have been made. It focuses or centers around a couple of fairly narrow issues, as I see them.

We can discuss forever whether there were tax cuts intended when the Budget Committee passed the resolution on the floor, or whether there were not; and at times, it was said in the slip of a tongue that, yes, they were for tax cuts; no, they were not for tax cuts because the Finance Committee was going to be making its decision. It was just going to be kind of set aside, $170 billion set aside that would be there to provide savings, but everybody knew it was there, but for the wink of an eye was reserved for tax cuts.

Today we have heard a debate about the real thing. We have come face to face, finally, with what the issue is. The issue, very simply, is whether or not we are going to deprive people of programs that are essential; that is, to take care of those seniors who are beneficiaries of Medicare, to make sure that Medicaid has the funding so that in places like Newark, NJ, and throughout this country, hospitals that derive 60 percent, 70 percent, 80 percent of their income from Medicaid because they serve a poverty-stricken population will not have to close.

We want to do that, as I hear the argument today, so that we can take care of the tax cuts that benefit primarily those in the upper income levels.

As a matter of fact, roughly, for every person earning $350,000 it is estimated by Treasury that there will be a $20,000 reduction in taxes. That is a pretty hefty present at the end of the year, $20,000, while they are asking senior citizens who, on average, 75 percent of them, make $25,000 a year or less, who are totally dependent on $25,000 a year or less for their income and, on top of that, are having to supplement their Medicare Program with about 20 percent of their income, or roughly $5,000, for that group that is at the $25,000 level. It does not leave much for ordinary living. And heaven forbid that a nursing home long-term care program is involved. That is the end of it.

But we want to do that so we can take care of the tax cut, a tax cut primarily for those who are at the top of the income ladder.

The question resolves itself very much, whose side are you on? On this side of the aisle we are on the side of the working Americans, the people who are doing their darnedest to try to keep home and family together, to try to provide for the education of their children, to give them a hand up so when it is their turn to takeover family responsibilities and leadership in the country they are prepared to do it.

An America falling behind competitively is not a sight that is pleasant to see. An America whose health, whose longevity is declining compared to other nations in the world is not a pleasant sight to see. An America who is 25th among nations in foreign aid —25th among the 25 most advanced nations in this world. They leave us behind. When there are not only important diplomatic objectives to be gained but important commercial objectives to be gained as well.

We see what happens. We need border guards. We know the State of Texas likes to see more border guards to help curb illegal immigration. We need more FBI agents, as we have seen very recently.

We have to change the way we deal with security issues. But, no, all of those things are put on hold so we can take care of a tax reduction for those who in many cases do not need it.

Yes, when you get to the middle class Americans, when those who are in the level of income where they need all the help they can get, that is a worthwhile consideration. But for someone who is making $150,000 a year, $350,000 a year, or more? That is not necessary, in my view, when it comes to considering the price that is paid for it.

The statement was made just a few minutes ago about whether we would like to see our children healthy or educated? I could not agree more with what the Senator from Texas said. I would like to see the kids healthy first. But I also want my kids to be secure. I want them to know in the next century that instability within our society was not created by the elimination of some programs to give people job training, a decent education, an opportunity for full participation in our society. Instead of pretending we are going to be able to shield off some of the problems that we have.

The PRESIDING OFFICER (Mr. KYL). The 6 minutes of the Senator has expired.

Mr. LAUTENBERG. I close with the question very simply put on this chart,

and that is: Whose side are we on? We here are on the side of the average American and our friends on the other side of the aisle want to take care of those who have enough, who have enough power, to give them an extra edge they do not need.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, what is the remaining time on each side?

The PRESIDING OFFICER. The Senator from Nebraska has 2 minutes and 22 seconds. The Senator from Texas, 4 minutes.

Mr. EXON. Is the Senator from Texas ready to yield back his time?

Mr. GRAMM. No, I am going to be the final speaker. I intend to use my last 4 minutes.

Mr. EXON. Mr. President, winding up the debate, I just want to reiterate, if I might, some very fundamental points that have been made over and over again.

First, we have high hopes that this particular amendment that is universally opposed on this side of the aisle is also substantially opposed on that side of the aisle and, therefore, this might well be the first victory that we have had in the whole series of debates on the budget, inside the Budget Committee and on the floor of the Senate.

I hope my optimism about this vote is not ill founded, because if the amendment offered by the Senator from Texas comes to pass and is agreed to by this body, I think it is going to cause such havoc that the conference with the House of Representatives would be essentially meaningless. If we pass this what I think is an ill-advised amendment, regardless of the fact that it passed in the House of Representatives, regardless of the fact that it is the so-called crown jewel of the Contract With America, regardless of the fact that I see no reasonable person could sit down and pencil out the figures and come up with any conclusion that we could possibly balance the budget by the year 2002 then if we proceed not to vote down the amendment offered by the Senator from Texas, the House and the Senate in conference would be placed in a position to where I think it would be nearly impossible to work out anything that would be halfway reasonable.

I think under those circumstances it would be a foregone conclusion that whatever system eventually passes through the authorization and through the appropriations process would be vetoed by the President of the United States.

This is the time for reason. This is the time for reality. Let us vote down the amendment offered by the Senator from Texas.

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

The Senator from Texas.

Mr. GRAMM. Mr. President, if this amendment is adopted, both the House and the Senate will have adopted the tax cut in the Contract With America. We will have cut the growth in spending sufficiently to balance the Federal budget and to let working men and women keep more of what they earn to invest in their future, to invest in their children, to invest in their businesses. If we reject this amendment we will have a budget in the Senate that spends $175 billion more on nondefense spending over the next 7 years than the House budget does, and by not reducing spending as much, we will not give a tax cut to working families, we will not cut the capital gains tax rate, we will not transfer spending authority back to parents. We will continue to take the position, as this budget does, that the Congress of the United States knows better how to spend $175 billion than parents would know how to spend it, if they got to keep it to invest in their own children; that we, by spending $175 billion more than the House in this budget, believe we can do more to help the economy through Government subsidies than the private sector can do by cutting the capital gains tax rate and by having real investment in the private sector of the economy.

A new day is dawning in the House of Representatives. They did something virtually unheard of in the modern era of American politics. They set out in black and white what they would do if we gave them a majority in the House of Representatives, as we did in the Senate, and then they did it. What we are doing here is fulfilling only half of our contract.

Now, I know from having talked to enough of my colleagues that the fix is in, that there is talk about coming up with a compromise. There is discussion of cutting a deal so that we can go on in the Senate spending substantially more than the House is spending and yet we are going to act as if we are giving a tax cut, possibly in some kind of temporary tax-cut proposal.

I do not believe that is what Americans had in mind when for the first time in 40 years they gave us a majority in both Houses of Congress.

I think they believe that we were going to change the way our Government does our business. This amendment gives us a very, very clear choice. If you support the Contract With America, if you want to control spending so we can balance the budget and so that we can let working men and women keep more of what they earn to invest in their own children, in their own businesses, in their own future, then vote for this amendment and guarantee that the Contract With America will be embodied in the final budget we adopt.

But if you want the Senate to be able to spend $175 billion more than the House budget, if you think we can spend money better than the people who earn it, then you want to vote no. I think that coming back later with some temporary tax cut, with some cut-a-deal proposal, undermines what we committed to the American people we would do, and I am opposed to it. I support this amendment, and I urge my colleagues to vote for it.

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

All time on this amendment has expired.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I understand under the sequencing that the next amendment is Senator Exon's amendment, and I ask unanimous consent that time on the Exon amendment be limited to the following: 15 minutes under the control of Senator EXON, 5 minutes under the control of Senator DOMENICI, and there be no second-degree amendments in order to the Exon amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. At this time I would like to yield for purposes of a statement on the budget to the Senator from Montana for 10 minutes. And then we will proceed, if it is all right with the manager of the bill, with the Exon amendment.

Mr. DOMENICI. I thank the Senator.

Mr. President, let me just ask, if I could, we have made some commitments that after the Senator from Nebraska we have a defense amendment. Then after that the Senator has told us Senator FEINGOLD——The Senator has no plan beyond that?

Mr. EXON. No plan.

Mr. DOMENICI. We would like very much to try to reduce the time. We are going to have Senator THURMOND reduce the time to one-half hour and maybe we can start doing half hours or less regularly. But that will be the next one after this.

I thank the Senator.

Mr. EXON. Mr. President, with regard to the vote on the Gramm amendment, I ask unanimous consent that the vote in relation to the Gramm amendment occur in the stacked sequence at a time to be announced by the two leaders and that no second-degree amendment be in order thereto.

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

Mr. DOMENICI. I should have made that request. I failed to, and I thank the Senator for making it for me in my behalf.

Mr. EXON. I yield 10 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I rise to discuss the Budget Resolution.

PROTECTING THE AMERICAN DREAM

The Budget Committee has given us a sound accountant's budget. It calls for the downsizing or elimination of many programs that have outlived

their usefulness. It uses much more realistic assumptions than the House budget.

It would put us on the path toward a balanced budget. That is a goal I strongly support. And I hope we will write it into the Constitution by passing the balanced budget amendment.

But, as we work to live more within our means, it is more important than ever that we set the right priorities.

A budget is, after all, more than numbers and programs. It is people. It is middle class Americans working harder than ever just to make ends meet. It is middle class parents who scrimp and save in order to realize the dream of sending their kids to college.

It is our seniors—that generation of Americans who worked so hard to build our economy while, at the same time, winning World War II and the cold war. They have earned a right to live with the independence and dignity that Medicare and Social Security help provide.

And it is our farmers—the families who have worked so hard and so successfully to feed America and the entire world.

For me, the ultimate test of any budget is how it affects these ordinary middle class Americans. Are they being treated fairly? And, if they work hard and play by the rules, will they share in the American dream of building a better life for themselves and for their children?

At the outset, let me provide one example where I firmly believe this budget sets the wrong priorities. It proposes to cut just over $10 billion from the farm program. This will make American agriculture less competitive in foreign markets and cause serious financial hardship for our farmers.

At the same time, it recommends funding an even greater amount for the NASA space station—a scientific boondoggle that has a long history of cost overruns. It is time to get our priorities back down to Earth by eliminating the space station and restoring funding for the farm program.

While I believe there is room to make such commonsense changes to this budget, it contains a more fundamental flaw. While the very wealthy get a free ride—and maybe a big tax break—working families and the elderly are called upon to sacrifice.

The commentator Kevin Phillips—a Republican—recently pointed this out. Here is what Mr. Phillips had to say about this budget process:

> [This] legislation . . . especially as put forward by the House of Representatives—has major overtones of special-interest favoritism and income redistribution. Spending on government programs—from Medicare to home-heating oil assistance—is to be reduced in ways that principally burden . . . the middle-class while, simultaneously, taxes are to be cut in ways that predominantly benefit the top one or two percent of Americans. . . . We should be talking about shared sacrifice. Instead, it's senior citizens . . . and ordinary Americans who will see programs they depend on gutted while business, finance and the richest one or two percent—far from making sacrifices—actually get new benefits and tax reductions.

Over the past 25 years, the rich in this country have gotten a lot richer. Back in 1969, the wealthiest 1 percent of Americans controlled about 20 percent of our national wealth. Yet today, this figure has skyrocketed to nearly 40 percent. And that leaves a smaller piece of the pie—a smaller piece of the American dream—for the middle class.

Wealth is no crime. We should encourage risk taking and investment by business. But it is time for the most wealthy Americans to get out of the wagon and help the rest of us—seniors, working families, farmers, and students—pull it across the line to a balanced budget.

MONTANANS ARE ALREADY PULLING THE WAGON

And most Montanans are already doing all they can to pull this wagon.

Montana is a great place to live. But it can be a tough place to make a living. The average Montana family works hard, but takes in less than $25,000 each year.

That is not a lot of money to put food on the table, to pay the mortgage, to make the car payment, and to save for the kids' education.

And, with each passing year, things get even tougher. Prices rise; but wages stay flat. Last year, for instance, working Montanans just barely kept pace with inflation. And, if you lived in a fast-growing community with skyrocketing housing prices—places like Missoula, Bozeman, Hamilton, or Kalispell—you almost certainly lost ground.

It is every bit as difficult for most of our senior citizens. All too often, Montana seniors living on fixed incomes just cannot make it. When you go into a fast-food restaurant or convenience store in Montana, you are just about as likely to be waited on by a senior citizen as you are by a teenager.

It is not that Montanans are afraid of hard work. In good times and bad, we have always done what it takes to make ends meet and build a better life for our children.

But we cannot do that when the Government keeps reaching into our wallets and gives nothing back in return. And, when you get to the bottom line, that is what this budget means to most Montanans. It is a tax; a tax on our seniors; a tax on our property owners; a tax on our parents; a tax on our students; a tax on our consumers; and a tax on our working families:

The cuts in Medicare are a back door tax on Montana seniors who will end up paying an additional $900 each year for health care. And, sadly, some seniors living on fixed incomes will be forced to rely on their children and grandchildren to make up the difference.

The cuts in education are a back door tax on Montana students, parents and property owners. This budget would eliminate 33 percent of the Federal investment in educating our children. Consequently, States and local school districts are bound to face the prospect of raising local property taxes in order to make up the difference.

Beyond this, the proposed increased costs for the student loan program amount to nothing more than an increased tax on our students and parents working to send their kids to college. For example, the costs of a $17,000 undergraduate student loan are estimated to increase by almost $5,000 over the life of the loan. And it you are a teacher in a rural Montana school district making—let us say—just $17,000 a year, that translates into a large chunk of your monthly paycheck just to pay off your student loan.

And, finally, this budget includes an expensive surprise for electric ratepayers in eastern and central Montana. The proposed sale of the Western Area Power Administration [WAPA] will increase their electric bills, probably by about a third. And, ironically, WAPA is not subsidized. It is a program that protects ratepayers while also making money for the Government.

FORGET POLITICS: USE A LITTLE COMMON SENSE

Despite these flaws, I believe this budget could be salvaged. Many of the cuts it proposes make sense. All it would take is agreement—bipartisan agreement—to rethink our priorities and find a way to protect rural America and restore funding to education and Medicare.

If we put partisanship aside, we could get the job done. All it would take is a little common sense.

First, let us bring our priorities down to Earth. Let us kill the space station and protect the family farmer. The costs are about the same. But the benefits of providing a stable supply of food and fiber for America and the world are far greater.

This budget also sets aside $170 billion to eventually provide tax relief—most of it probably going to the very wealthy. It is just common sense that we should use these funds to protect Medicare and education. If we did that, this budget would be a good start; something I could work with.

Unlike some in my political party, I do not believe we should spare just about every domestic program and take a meat ax to the defense budget. There must be real cuts in a broad range of Federal programs.

Here are seven areas where we can make a good start:

First on my list is foreign aid. I am sick and tired of seeing the United States pay more than its fair share to support wasteful organizations like the United Nations and the World Bank. It is high time we demand that other countries pay their fair share of the U.N. budget. Moreover, I was pleased to see that this budget calls for a significant cut in funding for the U.S. Agency for International Development.

Second, I am tired of seeing the United States spend billions of dollars for the defense of countries like Korea and Japan. While those countries do all

they can to keep our products out of their market. It is time that they share more in the burden of their own national defense.

Third, I also agree with the Budget Committee's call to abolish the Arms Control and Disarmament Agency. We do not need to spend an additional $60 million on this agency when we already have the Defense, State, and Energy Departments to do the same thing. It is time to get rid of it.

And the same is true of a boondoggle called TV Marti, a wasteful Federal program that attempts to broadcast sitcom reruns to Cuba.

Fifth, I was encouraged to see that the Budget Committee recommends the abolition of the Department of Commerce. This bureaucratic behemoth—a mish-mash of agencies ranging from the National Institute of Standards and Technology to the National Marine Fisheries Service—has long lacked a clear mission.

Let us move those Commerce programs that are worth saving—like the Economic Development Administration that just helped create over 700 high-wage jobs in Butte—to other departments. And let us scrap the bureaucratic over head and the Commerce programs that have outlived their usefulness.

Sixth, I also believe the Budget Committee missed another opportunity to clean house by abolishing a second Cabinet Department. There is no better example of a failed Great Society program than the Department of Housing and Urban Development.

HUD's history is one of scandal, waste, and failed housing projects; places where drug dealers and other criminals intimidate and prey upon women and children. I believe we can find ways, through block grants and tax incentives, to promote good, affordable housing without HUD's expensive and too often failed bureaucracy.

And seventh—last but certainly not least—welfare is another place we must make savings. I intend to work on the Finance Committee to bring the costs of this program down. And, just as importantly, we must restore the value of the American work ethic to our welfare program. I hope Democrats and Republican can work together to make this happen.

CONCLUSION

In closing, we all need to make sacrifices. We need to bring the budget into balance and give our children some relief from debt.

I go home just about every weekend. And I hear it time and time again, Montanans are willing to do their part to bring down the deficit. In order to get this done, they are willing to make great sacrifices.

They ask only one thing in return: fairness. They want to know that no one region or class of people is getting a free ride; that we are all pulling the wagon together toward a balanced budget.

I wish that were the case with this budget resolution. But it is not. We can do better. We can be fair. We can set the right priorities. And we owe the people we represent nothing less.

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

Mr. BAUCUS. I thank the Chair and I thank the Senator from Nebraska.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 1124

(Purpose: To restore funding for seniors, education, agriculture, working families, veterans, and other Americans, using amounts set aside for a tax cut)

Mr. EXON. Mr. President, I send an amendment to the desk on behalf of myself and Senators LAUTENBERG, HARKIN, KENNEDY, MURRAY, BREAUX, DASCHLE, and DODD, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the Gramm amendment is temporarily set aside.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself, Mr. LAUTENBERG, Mr. HARKIN, Mr. KENNEDY, Mrs. MURRAY, Mr. BREAUX, Mr. DASCHLE, and Mr. DODD, proposes an amendment numbered 1124.

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

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

The amendment is as follows:

On page 74, strike beginning with line 12 through line 12 on page 77 and insert the following: ''budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect—

''(1) $100,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on medicare and medicaid of—

''(A) increased premiums;

''(B) increased deductibles;

''(C) increased copayments;

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

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

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

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

''(H) other costs to beneficiaries;

''(2) $18,000,000,000 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 efforts on direct spending for education;

''(3) $10,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on direct spending within the jurisdiction of the Committee on Agriculture;

''(4) $17,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that restores the full current law earned income tax credit under section 32 of of the Internal Revenue Code of 1986;

''(5) $3,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on programs for veterans; and

''(6) $10,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) which shall be subject to allocation by the Committee on the Budget, by majority vote.

The amounts provided by paragraphs (1) through (6) shall be proportionally adjusted based on any increase or decrease in the projected allowance of $170,000,000,000.

''(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 (d).

''(c) CBO REVISED DEFICIT ESTIMATE.—After the enactment of legislation that complies with the reconciliation directives of section 6, the Congressional Budget Office shall provide the Chairman of the Committee on the Budget of the Senate a revised estimate of the deficit for fiscal years 1996 through 2005.

''(d) ADDITIONAL DEFICIT REDUCTION.—For purposes of this section, the term ''additional deficit reduction'' means the amount by which the total deficit levels assumed in this resolution for a fiscal year exceed the revised deficit estimate provided pursuant to subsection (c) for such fiscal year for fiscal years 1996 through 2005.

''(e) CBO CERTIFICATION AND CONTINGENCIES.—This section shall not apply unless—

''(1) legislation has been enacted complying with the reconciliation directives of section 6;

''(2) the Director of the Congressional Budget Office has provided the estimate required by subsection (c); and

''(3) the revisions made pursuant to this subsection do not cause a budget deficit for fiscal year 2002, 2003, 2004, or 2005.

''SEC. 205. SCORING OF EMERGENCY LEGISLATION.

''Notwithstanding section 606(d)(2) of the Congressional Budget Act of 1974 and beginning with fiscal year 1996, the determinations under sections 302, 303, and 311 of such Act shall take into account any new budget authority, new entitlement authority, outlays, receipts, or deficit effects as a consequence of the provisions of section 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.''.

Mr. EXON. Mr. President, this amendment is very concise; it is very clear. We have cut down the time to 15 minutes on our side and 5 minutes for the opposition.

Essentially, this amendment would take $160 billion from the $170 billion reserved in the Republican budget for tax cuts for the rich and redistribute $100 million to Medicare and Medicaid; $30 billion to education; $17 billion to the earned income tax credit; $3 billion to Veterans Affairs; and $10 billion to agriculture.

The largest part of this amendment has been offered in part or in total in previous amendments to alleviate the hit that we think is unfair on many of the programs as they were produced out of the Budget Committee.

We have discussed at length the distribution of taxes contained in the House Republican passed tax bill. It provides a $20,000 tax cut for taxpayers earning over $350,000. Fully 51 percent of the Republican tax cuts go to Americans with incomes over $100,000.

We have to get our priorities back on track and that is what my amendment does.

Let me walk my colleagues through the reasons for the redistribution of the $170 billion contingent fund.

First is Medicare and Medicaid. My amendment restores $100 billion of the overall cut in Medicare and Medicaid is intended to reduce the adverse effects of increased premiums, deductibles and co-payments on beneficiaries.

Most, if not all, of these add-backs would affect part B of the program and would not—I repeat—would not worsen the solvency of the HI trust fund.

My amendment states that any add-backs will be structured in such a way to ensure that the fund remains solvent for the same time period attained through cuts made in this year's reconciliation bill.

I am restoring these reductions in order to protect the 1 in 4 Medicare beneficiaries who rely on Social Security for their only source of income.

Second is Medicaid. Two-thirds of all Medicaid dollars are spent on seniors and disabled people. This is the only program which pays for long-term care.

Many middle-income people who develop disabling conditions—like Alzheimer's or Parkinson's—end up spending all of their incomes for care. They often have nowhere else to turn but Medicaid.

Under the Republican budget, nearly 1 million seniors and disabled people could lose their coverage. This amendment would add back funding to reduce the hit on that population.

The funding in my amendment could also be used to reduce the cuts to children.

Third, is education which would receive $30 billion through this amendment. Over 500,000 graduate and professional students currently receive subsidized loans. Nearly 50 percent of full-time, full-year students rely on the subsidized loans to pay for their education.

Eliminating the in-school interest subsidy means graduate and professional students could have their total debt increase by $3,000 to $6,600 depending on how long they are in school. The subsidy is critical for these students, most of whom are independent and going back to school to pursue higher learning that is critical to the future of our Nation.

My amendment also helps restore some of the Republican budget cuts to the impact aid program.

Impact aid is a critical program that provides funds to school districts that educate children of military personnel, children who live on Indian lands, and children who live in federally subsidized housing.

For school districts with large areas of Federal property within their boundaries, raising sufficient revenue to provide for the education of these children is a daunting challenge. Federal land is exempt from local property taxes—the mainstay of local education finance—causing a greater tax burden on the residents and owners of non-Federal land.

In my own State of Nebraska, Bellevue School District relies upon impact aid funding for almost 25 percent of its annual operating budget. Cuts in impact aid would be devastating to the quality of education for children of military personnel in Bellevue. My amendment softens the blow.

Fourth is the EITC which would receive $17 billion. The EITC helps keep working families off of welfare. It also assists middle-class families who have sudden losses of income.

The Republican budget cut for the EITC is particularly cruel since real wage growth has been slow, and many people are having to take lower-wage jobs as a result of downsizing and restructuring.

Fifth, is veterans. My amendment adds $3 billion back to veterans programs.

This Republican budget is a sad tribute to America's men and women who have worn their country's uniform.

Let us be clear, by funding the VA's medical system at the 1995 level for the next 7 years, the Republicans are dramatically cutting access to health care services for veterans' across the country.

The Republican budget also increases veterans' contributions for GI bill education benefits. It increases the co-payment for prescription drugs for higher-income vets.

Finally is agriculture. Mandatory agriculture spending is already projected to decline by 17 percent over the budget resolution timeframe. The Republican budget would cut an additional 20 percent from these programs primarily CCC commodity programs.

This amendment would ensure that farm programs make a fair contribution to deficit reduction without devastating the entire farm economy and severely hampering the ability of the Agriculture Committee to draft a workable farm program and a workable farm bill in the future.

Finally, it would reduce the reconciled cut to the committee by $10 billion and thus lessen the overall projected cuts from farm commodity programs from $12 billion to $2 billion.

Finally, I would note that if the CBO scores this surplus differently, the numbers provided would be adjusted accordingly.

The amendment does not allocate $10 billion of the projected $170 billion tax cut now in the Republican budget.

I intend to leave that amount open to be used to restore cuts in other programs that may have been unfairly hit. Or, it could be used as a cushion to further reduce the deficit and help us reach a balanced budget.

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

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Is the Senator finished with his time?

Mr. EXON. No, I have time.

The PRESIDING OFFICER. The Senator from Nebraska has 5-½ minutes remaining, and the Senator from New Mexico has 5 minutes.

Mr. DOMENICI. Actually, I only want to use 2 minutes. If the Senator will let me do that in wrap-up, I will let him finish and I will use only 2 minutes.

Mr. EXON. Mr. President, I believe the arguments can be made pro and con and have been made pro and con on this amendment. Very simply in the time remaining—I will consider yielding back after making these closing statements.

Once again, we are not attempting to change the date that we would balance the budget as prescribed in the Republican budget, we are not adding to the deficit, we are not adding to the national debt. We have been staying, as we have through all of these amendments—all of these amendments—within the parameters laid down, the overall figures of the Budget Committee.

What we are simply saying is that rather than provide a kitty, if you will, in the Senate budget, which is clearly earmarked for tax cuts and is so established by the chairman of the committee in this resolution, an earmark of $170 billion dollars which could come, according to CBO, if we balance the budget by the year 2002, to simply take a portion of that $170 billion and, instead of cutting taxes, cut the hit on these programs that I have outlined. This amendment merely alleviates the substantial and unfair cuts in each and every one of them.

I reserve the remainder of my time and may be in a position to yield back after the Senator has made his statement.

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

The PRESIDING OFFICER. The Senator from Mexico has 4-½ minutes.

Mr. DOMENICI. Let me speak very briefly, after which when time has been used up on the amendment, Senators should know that I plan to raise a point of order.

Mr. President, what we have now is, as I view this, we have the budget resolution produced by the gallant 12 budgeteers from the Republican side. We have a budget resolution that gets to balance. In that, we decide that many programs have to be reformed, changed, some eliminated, but we say we are going to stop spending in the red. We are not going to charge our children with our bills any longer. In 2002, we stop that.

Now it just so happens, Mr. President, I say to fellow Senators, that in 2002, according to the Congressional Budget Office, according to their economists and other economists, that

essentially when you put down a balanced budget and you make it enforceable and you pass a whole batch of laws that change current entitlements so less is spent and they certify that for you and say you have a balanced budget, there is a dividend—the dividend could be in the neighborhood of $170 billion—an economic dividend for doing what is right.

What is right? What is right is to get in balance by the year 2002. So by doing what is right, the Republicans on the Budget Committee, and Republicans and hopefully some Democrats, when they vote for this budget resolution, have earned something for the American people. What have they earned? They have earned reduced long-term interest rates for starters —very significant for homeowners, auto buyers, for everyone, including business people and mothers and fathers sitting around talking about student loans. If they are affluent enough to pay their own student loans, there is less interest on those loans. That is what we get from that side.

Indeed, there is a bonus of $170 billion that is kind of a surplus sitting there. We are now in the black and we have this surplus. What the Republicans say at this point in time is that we should transfer that $170 billion from a reserve fund to the tax writing committee and say to them, give the American people a modest dividend by cutting some taxes. Now, not rich people, not $300,000 earners. We have said in this budget resolution that it will go—90 percent—to middle-income Americans. That is the Senate's position if they adopt ours.

Let me say that, in a nutshell, Senator EXON would then say instead of doing that with that $170 billion, let us spend it. So we have a balanced budget and my good friend from Nebraska says, now, spend $100 billion of it on Medicare, spend $30 billion on education, spend $10 billion on agriculture, spend it on et cetera, et cetera. We hardly get to balance and we hardly get the dividend for Americans that they are entitled to, because most of them say, ''Give us a balanced budget.'' They are entitled to a bonus when we do what they have been telling us to do. So we say leave it there for a possible tax cut for Americans.

Senator EXON would say for all of these good things, let us spend it, and all of a sudden we start spending again after we got in balance, and we add $170 billion in spending.

The purposes are good. Senators pick some very, very interesting programs that Americans are interested in but everybody is worried about. He says, use the dividend for them. We have explained them in detail. We believe we are going to make the Medicare trust fund solvent. We believe education is not going to get harmed under our assumptions. We believe we have been fair to agriculture, and on down the line.

So I do not believe we ought to adopt the amendment. It is out of order under the Budget Act. When my time comes, I will so move.

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

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

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

The PRESIDING OFFICER. The Senator has 3½ minutes.

Mr. EXON. I will be very brief. I simply want to say that I have listened once again to my good friend and colleague from the State of New Mexico, my chairman. We do not happen to agree on this matter, but we happen to agree on many, many things. Time and time again, I have heard that those of us who realize that these programs are taking a considerable hit are being accused of being spenders if we do not try to alleviate some of the unfairness that I see in the Republican budget.

When this debate first started, I complimented my talented friend from New Mexico for the courageous job he has done. Time and time again, I have said that we in the amendments that we offered in the committee, and the amendments we have offered on the floor, have not done anything to reach the goal that the Senator from New Mexico is espousing. We are simply asking, do we honestly feel that we should make some changes in the approaches on certain programs? I do not believe it is fair to say, nor do I think the American people are particularly concerned because their main worry is balancing the budget and keeping it balanced and to quit borrowing more money, which is crippling America with the interest we are paying on that borrowing. Suffice to say that we really believe that we can work with the Republicans, with Senator DOMENICI, if they would just listen to some of our pleas.

I really think that the people of America would be most satisfied if we realistically face the challenge that we have to balance the budget and reduce the deficit. That is primarily the only thing that most of them are looking for. With that, I yield the remainder of my time and urge support of the amendment.

Mr. DOMENICI. Mr. President, I yield myself 30 seconds off the bill.

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

Mr. DOMENICI. Mr. President, it would be interesting to search the souls and hearts and minds of those on that side of the aisle to see, if this amendment were adopted, if they would vote for this budget resolution. It is most interesting. Take the dividend created through all of this hard work, tell us now here is how we would like it spent, then prevail on that and watch the budget go down in flames, because clearly we would not get very much support from that side of the aisle. We might get Senator EXON, but I will not even ask him.

Mr. EXON. If the Senator will yield—

The PRESIDING OFFICER. The Senator has yielded himself 30 seconds.

Mr. EXON. Off of my time. The Senator has made an interesting proposition. I would say to him that with all of the reservations that I have, if he will accept this amendment, he will at least get one vote on this side and, I think, considerably more. That may be a partial answer to his question, and I am acting in very good faith.

Mr. DOMENICI. I agree. We may get one.

Mr. DASCHLE. Mr. President, the Exon-Daschle amendment would reorder and re-balance the spending priorities in this proposed budget.

Specifically, the amendment would shift funding from a proposed tax cut for the wealthiest Americans to several key programs upon which our national interests depend. The Exon amendment would restore $100 billion to Medicare, $30 billion to education, $17 billion to the earned income tax credit, $3 billion to veterans' programs, and $10 billion to agricultural programs. The amendment would also exclude the proposed sale of the country's Power Marketing Administrations, including the Western Area Power Administration, from the budget. All of these are important priorities for our Nation and, especially, for rural America.

This amendment, like the amendments we offered yesterday, are completely paid for. It does not add one penny to the deficit.

Yesterday I spoke of the importance of the restoration of Medicare funding, and, earlier today, I referred to the importance of the earned income tax credit. So, today, I will focus on the other elements of this amendment.

First, the amendment would restore $30 billion in education funds. The underlying budget resolution proposes to balance the budget at the expense of educating our youth. That is unacceptable. It is myopic, and it is a false economy. The next generation cannot afford to be shortchanged in this manner. Educational investments are one of the best investments this country can make, especially as our youth prepare for the 21st century.

This amendment, which provides $30 billion to restore funding for critical education programs, will help young Americans and their families by restoring funding in student loans and education programs.

The $30 billion restores funding for the student loan in-school interest subsidy and other critical programs such as Title 1, Pell grants, Impact Aid, special education, and Safe and Drug-free Schools.

Impact Aid is especially important to South Dakota. Last year the program received a $70 million reduction in fiscal year 1995 funding. Further reductions are intolerable. These funds—which represent the money the Federal Government is obligated to pay to reimburse local school districts for Federal displacement of the local tax

base—are absolutely critical to over 50 schools in my State, and hundreds of schools throughout the country, that depend on Impact Aid to meet our children's basic educational needs.

The Impact Aid program provides critical dollars to over 50 schools in South Dakota. These payments are not a Government subsidy. Quite simply, their purpose is to compensate school districts for the loss of taxable revenue from what once was local taxable land. The message in the continued trend of decreased funding is that Congress has decided we do not need to uphold our obligation to the school districts that rely so greatly on these funds.

In the McLaughlin school district in South Dakota the Impact Aid funds represent approximately 37 percent of the school's budget; in the Lake Andes school district, 20 to 25 percent of their budget comes from Impact Aid monies; 30 percent of the Dupree school's general fund revenue budget is generated by Impact Aid funds; in Smee, South Dakota, if Impact Aids funds continue to dwindle, they will be unable to operate; in Pollock, South Dakota, they would have to close their doors if this funding is eliminated.

The list goes on and on, Mr. President. This means that teacher pay, books, facilities, desks, buses—everything it takes to run a school—is dependent on whether this Congress lives up to the commitment that was made to these schools when the lands in their districts were taken.

I simply ask this question of my colleagues. Is it fair to eliminate a program that was designed to help alleviate a very clear Federal burden that was imposed on certain local communities and school districts because the Federal Government decided to acquire land in their particular district? The answer is no. This is a Federal responsibility, not a Federal subsidy.

The Exon-Daschle amendment would also restore $3 billion in funding for veterans' programs, including veterans' health care. In light of the budget's proposed Medicare cuts, the cuts in VA funding are especially egregious, for reduced Medicare funding will undoubtedly lead to increased pressure on, and a shift in costs to, the VA health care system. As my colleagues know, the VA health care system is an already overburdened and underfunded one, so I fail to understand how the majority justifies this proposal.

The $3 billion in this amendment would ease some of that pressure and help us ensure that our fundamental commitment to the men and women who have served this Nation is fulfilled. To do otherwise sends exactly the wrong message to veterans and the men and women who currently serve in the Armed Forces.

While Senator EXON and I will talk more about the budget resolution's treatment of agriculture tomorrow, when we will offer an amendment to restore some of the agricultural funding cut in the Republican budget, I want to take a moment to speak on that issue today. This amendment would restore $10 billion of the agricultural funding cut in the budget proposal.

The amendment directs the funding where it is most needed—to farmers who struggle each year to stay on the farm, to keep producing America's food and fiber supply, and to families who strike a rough patch when there is job loss or other bad luck, people trying to put food on the table and keep their families together.

The Republican budget, on the other hand, raids rural America to aid the comfortable. The Republican budget proposal would cut $45.9 billion out of the Agriculture Department over the next 7 years. That is likely to translate to around $12 billion in direct cuts to farm programs. It is a 20-percent cut in farm spending. It will contribute to the further deterioration of the economic and social fabric of rural America. No other sector of American life is being asked to absorb such a hit. We can not have a prosperous urban America riding on the back of an impoverished farm America. Yet that is what Republican budget cuts will provide.

Farmers in South Dakota would see a devastating decline in their income of over $57 million. Other rural States will suffer similar pain. This budget is short-sighted for rural America and self-interested for the best-off. It is not a balanced, fair proposal. It is not a budget that sustains the American tradition of building a strong farm sector, a tradition that has enjoyed bipartisan support until this Republican majority.

Finally, this amendment would prevent the budget resolution from counting the sale of the power marketing administrations and other assets toward deficit reduction. This would remove the incentive to sell the Power Marketing Administrations [PMAs] in order to balance the budget, and would help ensure that decision is made on the basis of what would be the best policy for the United States. Since the sale of PMA's makes no economic sense, this amendment would substantially hinder their sale.

I have been concerned because the Clinton administration has announced plans to sell three of the five PMA's, including the Western Area Power Administration [WAPA], which markets power from the main stem dams on the Missouri River to South Dakota utilities and cooperatives. The administration has stated it intends to sell WAPA in 1998.

Despite the fact that the administration stated in the budget that ''the proposal will provide customer protection from significant rate increases,'' I am deeply concerned that if this plan is approved by Congress and goes forward, then significant rate increases will be inevitable, affecting consumers and the overall economies of rural states such as South Dakota.

The PMA's are an example of a Government program that works well. South Dakota, the Western Area Power Administration, which markets power from the main stem dams along the Missouri River, has ensured a consistent and affordable supply of electricity. The program is being run on a sound financial basis, as it recovers all expenses relating to its annual operation and the initial construction expenses, with interest. By providing low-cost power, the PMA's have substantially assisted in the economic development of many States.

Any one-time savings from the sale of WAPA would be offset by long term revenue losses. The administration and the Republicans expect a one-time budget savings from the sale, that over the long-run, will not save the Federal Government any money at all. Since the operational and capital costs of the program are more than paid back currently, the sale simply allows the Federal Government to collect the debt faster. But since the debt is being paid back with interest now, there is no long-term financial benefit to the Government. Long-term revenue losses from the sale offset the near-term revenue gains.

Some claim that the power marketing administrations can be sold without causing substantial rate increases. In reality, today's rates are set at the lowest possible level, while still ensuring that the debt is paid off. If the power marketing administrations are sold, then it is likely that rates will increase substantially. Those who buy the PMA's will attempt to maximize the return on their investment. And electric rates for existing Federal power customers will rise as a result. Some predict rate increases as much as 300 percent for some communities.

This sale will not only affect the economy of South Dakota or a few western States. Power marketing administrations sell power in 34 States across the country. I would ask all of my colleagues from these States to consider the impact of the sale of PMA's before they cast their vote.

In conclusion, Mr. President, we need to reduce the deficit. No one argues that point. This amendment restores essential funding—upholding our obligation to rural America, children, and the elderly—and is completely offset with the reserve fund set aside by the GOP to pay for tax breaks for the wealthy. Again, the amendment does not contribute one penny to the deficit.

I urge the adoption of the amendment.

Mr. DOMENICI. The pending 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.

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive section 305 of the act for the purpose of the pending Exon 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.

Mr. DOMENICI. I ask unanimous consent that this amendment also be stacked pursuant to the previous order, subject to leadership control on when we vote.

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

Mr. EXON. Can I inquire of my friend at this time?

Mr. DOMENICI. Yes.

Mr. EXON. We have stacked a series of votes now. I do not believe we have indicated when we might start our voting so that everybody would be properly advised. Are we going to start voting in an hour, 2 hours, 3 hours? Could the Senator give us some information on that?

Mr. DOMENICI. That is a very good question. I thank the Senator. We are, hopefully, going to get through with the Thurmond-McCain amendment, which is next, and then we will start voting about 4 p.m. That is the best I can give you at this point.

Mr. EXON. I thank my friend from New Mexico.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I understand Senator THURMOND is next. I yield to him to offer his amendment.

AMENDMENT NO. 1125

(Purpose: To restore adequate defense budget levels and to provide for offsetting reductions from nondefense discretionary spending and nondefense spending in the defense budget)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND], for himself, Mr. MCCAIN, Mrs. HUTCHISON, Mr. WARNER, Mr. COATS, Mr. INHOFE, Mr. KEMPTHORNE, Mr. LOTT, Mr. SMITH, Mr. COHEN and Mr. SANTORUM, proposes an amendment numbered 1125.

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

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

The amendment is as follows:

On page 11, line 7, increase the amount by $9,600,000,000.

On page 11, line 8, increase the amount by $4,000,000,000.

On page 11, line 14, increase the amount by $15,900,000,000.

On page 11, line 15, increase the amount by $8,300,000,000.

On page 11, line 21, increase the amount by $17,700,000,000.

On page 11, line 22, increase the amount by $10,800,000,000.

On page 12, line 3, increase the amount by $15,100,000,000.

On page 12, line 4, increase the amount by $11,700,000,000.

On page 12, line 10, increase the amount by $11,300,000,000.

On page 12, line 11, increase the amount by $11,500,000,000.

On page 12, line 17, increase the amount by $11,400,000,000.

On page 12, line 18, increase the amount by $11,600,000,000.

On page 12, line 24, increase the amount by $11,300,000,000.

On page 12, line 25, increase the amount by $10,000,000,000.

On page 54, line 20, decrease the amount by $9,600,000,000.

On page 54, line 21, decrease the amount by $4,000,000,000.

On page 55, line 2, decrease the amount by $15,900,000,000.

On page 55, line 3, decrease the amount by $8,300,000,000.

On page 55, line 9, decrease the amount by $17,700,000,000.

On page 55, line 10, decrease the amount by $10,800,000,000.

On page 55, line 16, decrease the amount by $15,100,000,000.

On page 55, line 17, decrease the amount by $11,700,000,000.

On page 55, line 23, decrease the amount by $11,300,000,000.

On page 55, line 24, decrease the amount by $11,500,000,000.

On page 56, line 5, decrease the amount by $11,400,000,000.

On page 56, line 6, decrease the amount by $11,600,000,000.

On page 56, line 12, decrease the amount by $11,300,000,000.

On page 56, line 13, decrease the amount by $10,000,000,000.

On page 65, line 14, increase the amount by $9,600,000,000.

On page 65, line 15, increase the amount by $4,000,000,000.

On page 65, line 17, decrease the amount by $9,600,000,000.

On page 65, line 18, decrease the amount by $4,000,000,000.

On page 65, line 21, increase the amount by $15,900,000,000.

On page 65, line 22, increase the amount by $8,300,000,000.

On page 65, line 24, decrease the amount by $15,900,000,000.

On page 65, line 25, decrease the amount by $8,300,000,000.

On page 66, line 3, increase the amount by $17,700,000,000.

On page 66, line 4, increase the amount by $10,800,000,000.

On page 66, line 6, decrease the amount by $17,700,000,000.

On page 66, line 7, decrease the amount by $10,800,000,000.

On page 66, line 10, increase the amount by $15,100,000,000.

On page 66, line 11, increase the amount by $11,700,000,000.

On page 66, line 13, decrease the amount by $15,100,000,000.

On page 66, line 14, decrease the amount by $11,700,000,000.

On page 66, line 17, increase the amount by $11,300,000,000.

On page 66, line 18, increase the amount by $11,500,000,000.

On page 66, line 20, decrease the amount by $11,300,000,000.

On page 66, line 21, decrease the amount by $11,500,000,000.

On page 66, line 24, increase the amount by $11,400,000,000.

On page 66, line 25, increase the amount by $11,600,000,000.

On page 67, line , decrease the amount by $11,400,000,000.

On page 67, line , decrease the amount by $11,600,000,000.

On page 67, line 6, increase the amount by $11,300,000,000.

On page 67, line 7, increase the amount by $10,000,000,000.

On page 67, line 9, decrease the amount by $11,300,000,000.

On page 67, line 10, decrease the amount by $10,600,000,000.

On page 68, after line 12, add the following new paragraph:

(3) It is the sense of the Senate that the Senate should waive all points of order that would preclude increasing non-defense spending in any one fiscal year by up to $2 billion and, at the same time, decreasing defense spending in any one fiscal year by up to $2 billion, from the levels of discretionary spending in this section. It is further the sense of the Senate that defense spending may not be reduced by more than a total of $10 billion and non-defense spending may not be increased by more than a total of $10 billion over the seven years of the resolution, from the levels of discretionary spending in this section.

Mr. THURMOND. Mr. President, I have been asked ''What do Americans expect of their Armed Force?'' I believe Americans expect a capable and ready force, ready to meet our Nation's security needs, able to safeguard our national interest and maintain our position as a world leader. The budget resolution from the Senator from New Mexico was a good effort. It required many hard decisions. The problem remains that the planned defense budget, as offered in the budget resolution, does not meet the needs of our Armed Forces or give us the ability to meet our global commitments.

We live in a dangerous world. It is our responsibility not to repeat history and drastically reduce defense. This path will leave our forces in a dangerously unprepared state, and we will pay the price in the future. The international environment requires the United States to maintain a strong defense to deter aggression and maintain our vital interests. The Armed Services Committee has already received indications that the Defense Department is planning further end strength reductions to pay for needed modernization. The Bottom-Up Review described a minimum force, said to be necessary to support our military strategy. This review was not based on strategy. Force structure levels were too low, and the required modernization was mortgaged.

Over the last year, the Armed Services Committee has continued to hear testimony concerning present and future readiness problems. Lack of funds is placing combat readiness in danger. The ability of our commanders in the field to maintain their forces is being jeopardized by an underfunded program. GAO and other sources have estimated shortfalls in defense to range from $20 billion to $150 billion over the next 6 years. Defense spending has been reduced every year since 1985, and as a percentage of gross domestic product is at pre-World War II levels. Modernization and procurement accounts remain at 50-year lows as modernization projects are continually pushed farther into the future or canceled all together. This is a trend that cannot continue. The defense budget, in the budget resolution, simply does not provide the minimum resources necessary to sustain our force or meet the Department's pressing needs.

At the same time, requirements for our service men and women have not decreased. Instead, contingency operations and other deployments have increased requirements for American forces, placing greater stress on our service members, family members, and their equipment. These deployments have a price and are taking a toll on our force readiness. We must support our forces and not cripple our Nation's defense.

Our responsibility is to ensure that the bill for these funding shortfalls is not paid for by the sacrifice of men and women in our Armed Forces. These young Americans have been asked to live without proper housing and barracks, to make do with constrained training, and do without new systems and technology, because we cannot afford it. Quality-of-life programs have been ignored to support increasing operating tempos. Benefits are continually under review for further reductions. We should expect increasing recruiting and retention problems, if we do not support these young Americans who are serving our Nation.

I am strongly in favor of cutting Federal spending and reducing the deficit, but we must meet our national security needs. The first responsibility of government is to provide for its defense. This amendment reverses a dangerous trend and provides for that commitment. It does not increase the deficit in Senator DOMENICI's budget resolution. The amendment improves the balance between current and future readiness. We provide for an adequate quality of life for service members and their families. We can take care of shortfalls in important new systems such as national and theater missile defense systems. We must not allow our Nation's defense needs to be decided by purely fiscal considerations. If we do, then sooner than we may realize, a bill is going to come due. Hopefully, that bill will not be paid with the lives of our service men and women, and great harm to the Nation.

Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from South Carolina has consumed 5 of the 7 minutes.

Mr. THURMOND. Mr. President, I reserve the remaining 2 minutes.

I yield to the Senator from Arizona, Mr. MCCAIN.

Mr. MCCAIN. I thank my distinguished leader and chairman of the Armed Services Committee, Senator THURMOND, and I also want to thank my colleague from Texas, Senator HUTCHISON, for their leadership, especially Senator THURMOND's leadership, on this very important amendment.

Mr. President, I am sorry we are short of time. This amendment deserves a great deal more consideration if Members believe, as I do, that the first priority of any government is to preserve the security of its citizens.

Senator THURMOND has described the amendment. I would just like to remind my colleagues for 2 years, Republicans have charged that the administration has failed to maintain a defense adequate to confront the myriad challenges we face in this period of instability. Now it is our responsibility to correct that failing.

I am disappointed that the budget resolution submitted to this body by Republicans is the Clinton numbers, the same numbers that we attacked so vociferously for 2 years.

Mr. President, no decade in this century began more auspiciously than the 1990's. That gross impediment to human liberty, the Berlin Wall, was breached by the stronger forces of human yearning. The central security problem of our time, the possible clash of East and West on the plains of Germany, was resolved by the dissolution of the Warsaw Pact, the reunification of Germany, and the collapse of the Soviet Union.

The euphoria that accompanied these events anticipated the imminent arrival of a new world order of independent democracies engaged only in peaceful commercial competition with one another.

The resurrection of ancient conflicts and hideous barbarism in the Balkans; the reappearance of other incidents of irrational nationalism that had been sublimated by the cold war; the haunting familiarity of Zhirinovsky's odious appeal to perverse patriotism; the accelerating proliferation of weapons of mass destruction; and the waging of over 50 conflicts around the world have dimmed our hopes for a more just and tranquil world, and reminded Members that we have interests and values that are still at risk in this promising but uncertain world.

The world is still a very dangerous place. American vigilance and struggle are required now more than ever. There are numerous potential threats to our national security in the world today:

In North Korea, one of the world's remaining Communist dictatorships seeks to acquire nuclear weapons, and this administration has failed to exercise the decisive leadership necessary to halt, once and for all, the threat of nuclear warfare on the Korean Peninsula.

In Asia, China has laid claim to the entire South China Sea and enhanced its claim with a massive buildup of its armed forces, including the acquisition of new submarines, marine forces, and aircraft carriers.

In the Middle East, Iran poses a serious threat to the security of the region with their own efforts to acquire nuclear weapons, their longstanding support of terrorist movements, and their aggressive military buildup in the Straits of Hormuz.

Iraq remains a potential trouble spot as Saddam Hussein maintains a stranglehold on political and economic power in that state.

Russia's involvement in its ''near abroad,'' the ongoing horrible conflict in Chechnya, and its advocacy of changes in stable arms control agreements causes serious concerns.

Ethnic conflicts continue to rage from Sri Lanka to Rwanda.

And in Bosnia, United States military personnel may soon be sent in harm's way to assist in extracting international forces from the failed U.N. peacekeeping effort in that State.

These and many other examples of instability in the world today make it imperative that we support an adequate national defense posture in this Nation.

Mr. President, the defense budget has declined 35 percent in real terms between 1985 and 1994. President Clinton promised in his State of the Union Address in January of 1994, ''* * * we must not cut defense further.'' Yet, his fiscal year 1996 defense budget submission cuts defense for 4 more years, totaling another 10 percent decline by 1999.

Mr. President, what we are faced with is a Hobson's choice. We are spending money to maintain a ready force. That money is well spent, and we still have the finest and highest quality men and women this Nation can recruit and maintain in our Armed Forces. However, in exchange for that, we are sacrificing totally, the modernization of our force.

In 1985, we procured 325 tactical aircraft; in 1996, we will procure 289. In 1985, we procured 80,000 missiles; in 1995 we procured 3,000. In tanks, in 1985, we procured 2,680 tanks and other vehicles; in 1995, 34 tanks and vehicles. Ships, in 1985, we procured 34; in 1996, we will procure 3.

Mr. President, we cannot—we cannot—maintain the capability that won the Persian Gulf with the kind of lack of modernization that is part and parcel of this proposal.

The PRESIDING OFFICER. The Senator from Arizona had 5 minutes, and has 4 minutes remaining.

Mr. MCCAIN. Mr. President, I, not unlike other Members of this body, am a student of history. I am certainly a confirmed believer in the old adage that those who ignore the lessons of history are doomed to repeat them.

In 1917 the United States of America was not prepared to go to war. In 1941, on December 7, America was not prepared to go to war. In June of 1950, when North Korea attacked across the 38th parallel, the United States was not prepared to go to war. In the 1970's, when we had a hollow Army, the United States was not prepared.

We must understand that what we are doing here is mortgaging the blood and treasure of America by adopting a proposal which cannot meet our national security requirements and needs. It is an enormous responsibility of this body, to assume a responsibility in contravention to the knowledge, wisdom and advice of our military leaders and all objective observers, and that is that we cannot modernize our forces so victory, if conflict comes, can only be purchased through enormous

expenditure of treasure, and far more important than that, American blood.

Mr. President, I reserve the remainder of my time. I will use it at the end of the debate.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time does Senator THURMOND or MCCAIN have remaining?

The PRESIDING OFFICER. The Senator has 27 minutes and 45 seconds remaining.

Mr. DOMENICI. I am in control, technically, of the time in opposition. But, frankly, I want to give that opposition time to the distinguished Senator from Nebraska for his side. They are going to have the time in opposition, not the Senator from New Mexico.

But I will reserve, now, before I give that over—I will keep 10 minutes for myself and Senator LOTT. He, I understand, will not be able to fit in, in the time allotted. I will arrange to give him that time, not in opposition but in favor. Is that correct?

Mr. LOTT. That is correct.

Mr. THURMOND. I yield 3 minutes to Senator WARNER.

Mr. WARNER. Mr. President, over the past several days, I have listened closely to the debate over this budget resolution which, I believe, has the potential to set our Nation on the road to fiscal responsibility. I want to commend the Senator from New Mexico, Senator DOMENICI, for his courageous proposal which will balance the Federal budget by the year 2002. I support what he and the other Republicans on the Budget Committee intend to do with this budget resolution—eliminate the Federal deficit and relieve the enormous burden of debt that we are currently loading on the backs of our children and grandchildren. However, I take exception with the spending levels for defense included within the budget resolution before the Senate.

Mr. President, I am concerned about the security of our Nation and the risks we face in a world that—despite the demise of the cold war—remains a very dangerous and unpredictable place. As we speak, our Armed Forces are preparing for the possibility of a mission to assist in the withdrawal of U.N. forces from the former Yugoslavia. Whether or not you believe that we should put U.S. forces at risk to carry out this mission, I am certain that every Senator in this Chamber would support funding to ensure that our forces are trained and equipped to facilitate the rapid accomplishment of this mission with minimal risk to the lives of U.S. military personnel. We learned in Operation Desert Storm that well-trained troops equipped with modern weapons and equipment suffer fewer casualities.

Today we are facing a world proliferating with new threats based on centuries-old ethnic, racial and religious hatreds.

The problem with preparing our forces to defend against threats in this new world of disorder is that we may not be able to anticipate where and whom we will have to fight. We will have to be prepared for the unexpected, for major regional crises that arise suddenly—in other words, for contingencies. The case in point is the gulf war. Prior to August 1990, no one ever expected we would end up in a major land war against Iraq.

Fortunately, we had a superior military capability that was more than a match for Iraq. But, in the past, this has not always been the case. The outbreak of World Wars I and II and Korea found us woefully unprepared, and the result was many thousands of Americans lost in the opening days of those conflicts. Consequently, in an era of uncertainty, combined with multiple potential dangers, the No. 1 threat could be our own unpreparedness.

Mr. President, the administration's ways of dealing with these uncertainties was to conduct a Bottom-Up Review which resulted in a force structure that is supposed to be able to fight and win two nearly-simultaneous major regional contingencies. It is highly questionable, however, whether or not this planned force will be capable of meeting this requirement. There is also general agreement that the administration's future years defense plan [FYDP] is inadequate. The General Accounting Office estimated that the FYDP may be underfunded by as much as $150 billion.

The administration has made readiness a high priority at the expense of modernization of our military. They have kept personnel and readiness accounts funded at high levels, but because the overall budget is underfunded, modernization—the R&D and procurement accounts—have paid the bills. Procurement is at intolerably low levels. A Marine Corps general officer testifying at an Armed Services Committee hearing recently stated that the Marine Corps procurement budget was only about one-third of what it should be for the third straight year. ''You can't modernize on pocket change,'' he told the committee.

I should also point out that even with all of the administration's emphasis on readiness, significant readiness problems have occurred within our military over the past year.

Last September, three Army divisions reported readiness levels of C–3. Not since the days of the Carter administration, have that many divisions reported such poor readiness levels.

Overall readiness for active Navy aviation squadrons declined from about 75 percent in fiscal year 1990 to 61 percent last year.

Funding shortfalls in the 2d Marine Air Wing's flying hour program resulted in 11 of 30 squadrons reporting in the two lowest readiness categories (C–3 or C–4) for the 4th quarter of fiscal year 1994.

Admiral Boorda, the Chief of Naval Operations stated recently, ''We have gone to the well and it is dry. We must fund training if we are to prevent a 'hollow force.' ''

Mr. President, I believe it is clear that our military services are underfunded in the administration's proposed budget and future years defense plan. For the past 2½ years, members of the Armed Services Committee have been expressing that view. Every Republican on the Armed Services Committee signed a letter to the chairman of the Budget Committee recommending that fiscal year 1996 funding for defense be frozen at last years level, adjusted for inflation. This would result in a $12.5 billion increase over the President's request for fiscal year 1996.

Unfortunately, the Budget Committee's proposal accepts the administration's recommended budgets now and in the outyears for defense. If we accept the administration's budgets, then the responsibility for shortfalls in defense funding and the resulting deficiencies in our Armed Forces will lie with those of us in the Congress.

Mr. President, in his State of the Union Address in 1994, the President implored the Congress not to cut defense further—that defense had been cut enough. Then, this year, in his budget request for fiscal year 1996, the President recommended $5.7 billion less than he recommended last year—in real terms, this is over $13 billion less than last year. Mr. President, that sounds like a cut to me.

There are those who state that defense should pay its fair share. Mr. President, I maintain that defense has already paid more than its fair share—that defense has already been cut too deeply. Fiscal year 1996 represents the 11th consecutive year of declining defense budgets—the longest continuous decline in post WW II history. DOD spending as a share of the Federal budget has declined from 42 percent in 1968 to 18 percent in 1994 and continues to decline.

As I indicated earlier, Defense procurement spending has suffered greatly under the Clinton administration. During the hollow force days of the mid-1970's, procurement spending was only about $46.7 billion; in 1985, at the height of the Reagan buildup, procurement spending reached $120 billion; in 1995, procurement spending is down to $39.4 billion—representing a 67-percent decrease from fiscal year 1985 and 16-percent less than the mid-1970's low point.

Mr. President, when we fail to modernize our forces with new weapons and equipment, we not only cause maintenance and operating costs to rise, but more importantly, we condemn our future soldiers, sailors, airmen, and marines to fight their battles with obsolete weapons and equipment.

Mr. President, when I asked an old Marine sergeant, who was a combat veteran of several wars, why he was so sure there would be another war, he replied, ''There always has been.'' It is certain that our forces will be called upon again to go into battle. The time

may be sooner than we think. I hope the Congress will not put our servicemen and women at greater risk because we cannot find additional funds from a budget of almost $1.3 trillion.

I support the Thurmond-McCain amendment and urge my colleagues to vote for it also.

Mr. DOLE. Mr. President, I rise today in support of the Thurmond-Stevens-McCain amendment. I commend my colleagues for their efforts to ensure an adequate defense budget. Under this amendment, defense spending would be increased to meet the levels approved by the House last week. However, the measure is deficit neutral in each year of the resolution, and keeps us on path to achieve a balanced budget by the year 2002.

We are committed to cutting Federal spending. But we must ensure that our military is prepared to meet future challenges. Over the past few years, the Clinton administration has sacrificed the readiness and modernization of our forces. However, around the world, potential enemies are increasing and modernizing their military capabilities.

For the past 2 years, the administration has justified its reduction-in-force structure by promising to provide our troops with the most modern technology available. During last year's hearings on the fiscal year 1995 budget, General Shalikashvili stated, and I quote:

> The structure is adequate only if we stick with two linchpins: We must improve our capabilities, and we must improve and maintain our readiness.

Unfortunately, this has turned out to be empty rhetoric. Procurement spending and procurement rates are at their lowest levels in 45 years. Despite promises to enhance force capabilities, modernization has come to a virtual standstill. The result is that our Armed Forces are smaller, but not more capable.

Where President Clinton has failed to recognize the long-term needs of the military, we in Congress must take the lead. Our defense budget must balance our need to maintain near-term readiness and our need to provide enhanced capabilities for the future. It must prepare us for tomorrow's challenges. Failure to do so will jeopardize the security of this Nation. I urge my colleagues to support this amendment.

Mr. COHEN. Mr. President, much of the debate over the defense budget in recent weeks and months has been based on misperceptions and half-truths.

A good example can be found in one editorial entitled ''Grasping the Obvious,'' which lashed out at defense spending, claiming that President Clinton wanted to increase the defense budget and that:

> The Defense Department has somehow become untouchable, taking a place alongside Social Security and Medicare in the pantheon of sacrosanct Federal enterprises.

The editorial went on to argue that defense budgets should be reduced just as much if not more than other areas of Federal spending, and that the Pentagon and the White House would have to realize that in a time of ''diminishing military threats,'' deep cuts would have to be made.

The writer is not alone in failing to grasp the obvious. The post-cold-war period has seen a proliferation of efforts to cut American defense budgets dangerously deeply. These efforts have been accompanied by accusations that, in an era of budget balancing and deficit reduction, the military is not absorbing its fair share of cuts.

Nothing could be further from the truth.

Far from being placed on a pedestal, protected from America's budget cutting zeal, defense spending has already been subjected to a frenzy of profound and often damaging reductions. The defense budget has been cut every year for the past decade, for an overall real decline of some 35 percent. In contrast, real spending on Medicare and Social Security over the same period has increased 63 and 23 percent, respectively.

The portion of the defense budget used to buy weapons and other equipment has already suffered a reduction of more than two-thirds over the past decade:

A decade ago we purchased 720 tanks a year. Today, we buy none.

Annual purchases of ships and aircraft have declined 80 and 87 percent respectively.

Dozens of major weapons programs and more than a hundred smaller ones have been terminated.

As the nonpartisan Congressional Budget Office has put it, the Pentagon has entered a ''procurement holiday.''

For the past decade, it has been defense that has borne the blows of the budget cutting axe as domestic spending has steadily grown.

The very real reductions in defense budgets over the past decade may not seem important from the vantage point of defense spending critics, but for those whose job it is to ensure military readiness and to guarantee American security, the cuts have already made their tasks difficult to the point of being almost impossible. The question for these professionals is whether minimum levels of reliability and readiness can be ensured, given current spending cuts.

Earlier this year, Gen. Carl Mundy, Commandant of the Marine Corps, warned:

> We are stretched thin. Actual operational commitments over the past 3 years have actually grown steadily and have greatly exceeded those predicted by either the Marine Corps assessment or the Bottom-Up Review * * *. We have not to date received sufficient resources to fund * * * minimum essential requirements * * * to provide a reasonable assurance that we can meet our commitments with operationally ready and effective forces, not only today, but throughout the program years.* * *

This assessment has been echoed by senior officers in all of the Nation's armed services. It illustrates the well-founded concerns of those who understand the importance of readiness and modernization in military planning, especially in today's uncertain world.

The past few years have shown that the end of the cold-war standoff with Soviet Russia has not simplified and brought harmony to the world, rather it has increased uncertainty and made the world more susceptible to a host of festering regional conflicts. Many of these conflicts have the potential for escalation, spillover, and major destabilization in areas critical to the security and interests of the United States and our closest allies.

While the United States is not the world's policeman, we are the only global power, and we have global interests that can be threatened by regional powers, great and small. Defending our interests requires us to station forces abroad and to be able to project power around the globe.

A brief glance around the world shows the variety of dangers the United States must be prepared to meet:

Russian troops are turning Chechnya into a wasteland and Russian neighbors into colonies, while Russian engineers prepare to build nuclear reactors in the terrorist theocracy of Iran and Russian officials threaten the independence of the Baltics;

China also plans to sell Iran nuclear reactors and seems intent on becoming a regional hegemon, claiming sovereignty over the strategic South China Sea, extending its coastal defense perimeter 10-fold out to 2,000 miles, and backing these claims up with military deployments;

Iran is aggressively pursuing nuclear weapons while also deploying Russian-built submarines and Chinese- and North Korean-built missiles in order to gain control of the Persian Gulf and dominate its neighbors;

North Korea has violated last October's nuclear agreement and continues to mass troops and artillery on the DMZ, making an Asian nuclear arms race and another Korean war real possibilities.

NATO is edging closer to intervening in Bosnia in order to rescue the U.N. troops deployed there, which would put some 25,000 United States troops in the midst of a seemingly intractable war.

Those who view this as merely a list of hypothetical risks unlikely to require American military deployments would do well to recall that since the end of the cold war, U.S. Armed Forces have been sent into action repeatedly on some 2½ dozen operations.

While members of the Armed Services Committee are on record as favoring increases in the defense budget, this amendment would merely slow the decline in defense spending over the next 7 years. Even if this amendment is adopted, defense spending will continue to decline in real terms for another 7 years, resulting in 17 straight years of cuts in the defense budget.

Given the tremendous cuts imposed on the defense budget in recent years

and the great uncertainty we face around the world, we cannot continue to gut America's Armed Forces. The military is already strained by the unprecedented number of peacetime operations it is being ordered to undertake.

Mr. President, listening to the leaders of our Armed Forces and looking around the world, we are compelled to conclude that putting the brakes on military spending cuts is not merely a wise position, it is a national security imperative.

I urge my colleagues to support the Thurmond amendment.

Mrs. MURRAY. Mr. President, I rise in strong opposition to the Thurmond-McCain amendment, which seeks to increase defense spending by $68 billion over the next 7 years, and pay for that increase by making further cuts in domestic programs.

In this era of shared sacrifice where no one is spared the budget ax—not children, seniors, nor veterans—I fear that those who would now ask the Senate to increase the level of defense spending simply do not understand the true war this country is fighting.

Mr. President, it is America's families who are on the front lines today, fighting to find a safe place to live, a sound education for their children, affordable health care, and job security.

It is the war against crime, poverty, ignorance, and AIDS that needs to be this country's priorities as we approach the next century.

During the cold war, Americans made sacrifices here at home so that our national resources could be used to defeat communism around the globe. The Berlin Wall fell in 1989, and with it, the Warsaw Pact. The Soviet Union officially dissolved in 1991. We fought the war, and we won.

In the aftermath of the cold war, I believe American families deserve to live in a safer and more stable world. They deserve to know that more of their tax dollars are going to educate their children and police their streets.

The Republican budget before us today, which outlines their spending priorities for the next 7 years, makes deep cuts in programs for children, the poor, veterans, and the elderly, while insulating defense spending from cuts.

And now we are asked to support an amendment which would add $68 billion more in defense spending, and to pay for that increase, American families would have to accept yet deeper cuts in domestic programs.

Even without this amendment, let us remember what the Republican budget is asking of American families.

Teachers and students are asked to accept dramatic cuts in education spending, worker training programs, and student loan assistance.

Preschoolers and their parents must accept a 30-percent cut in Head Start funding, which will deny as many as 100,000 low-income children the benefit of a preschool education.

Rural Americans will be asked to accept 20-percent cuts in mandatory agriculture spending.

Children and the elderly will be asked to shoulder $400 billion in Medicare and Medicaid cuts. In America today, one in four children, and one in three infants, are covered by Medicaid.

The earned income tax credit, a program to help keep working families off welfare, will be cut by 11 percent.

Our Nation's scientific community must accept $25 billion in cuts for basic research.

The budget blueprint before us increases the veterans' contribution for GI bill education benefits, and freezes funding for the VA's medical system at the 1995 level for the next 7 years, cutting access to health care for veterans around the Nation. Under the Republican proposal, the VA will be forced to close the equivalent of 35 of its 170 hospitals and deny care to over 1 million of our Nation's vets.

And if we accept the amendment now pending before the Senate, American families would be asked to accept even deeper cuts in education funding, crime control, and other important domestic programs.

Proponents of this amendment point to recent declines in defense spending with alarm. While spending for our military is down from the mid-1980's level, we must keep this trend in perspective. The United States today has the largest military budget and the most powerful military force in the world.

The combined military budgets of Russia, Iraq, China, North Korea, Libya, Iran, Syria, and Cuba total $95 billion annually. That is one-third the level of U.S. defense spending. Each year, the United States spends more than the next nine of the world's biggest military spenders combined.

In fact, this country spends so much for defense, even the Pentagon can't keep track of it all. According to the GAO and the Pentagon's inspector general, as well as the Pentagon's Controller John Hamre, billions of defense dollars are lost year after year due to poor recordkeeping and lax accounting practices at the Department of Defense.

According to GAO, each year the pentagon pays private contractors up to $750 million it does not owe them—with businesses often paid twice for the work they have done. And at this point, according to the Pentagon, there is really no way to retrieve these lost funds, or to stop the massive overpayments.

Billions of dollars simply lost in the system, Mr. President, in an era when we are saying no to university scientists looking for cures to devastating diseases.

Billions of dollars lost in the system when we are saying no to preschoolers who need HeadStart programs.

Billions of dollars lost in the system, when we are saying no to our Nation's elderly, who thought they could rely on Medicare in their final years.

Billions of lost dollars when we are saying no to basic scientific research, which has fueled our economy for decades.

At the very least, Congress should hold defense spending to the President's level until the Pentagon can fix their payment procedures and bring some accountability to the system. We owe that much to the Nation's taxpayers.

Our debate today is about deficit reduction—which requires hard choices. Under the Senate budget plan, the United States will continue to maintain the strongest military in the world. Today the military's share of the gross domestic product is 4.6 percent, which is higher than the entire Federal domestic discretionary budget combined 3.7 percent.

And in the current international climate, where the United States remains the only military superpower, we are also the dominant economic and political actor on the stage. In this role, we must increasingly emphasize nonmilitary solutions to global conflicts—diplomatic negotiations, multilateral efforts, and regional responses.

But most of all, in order to project strength abroad, we must gain strength here at home. Our national security, in my view, will not be strengthened by yet more guns and missiles. We need to restore global economic leadership. We must invest in our children and their future—in their education and their health. We must rebuild our cities and our infrastructure, and invest in technology and scientific research.

We must ensure that the economy our children inherit in the next century is sound and growing.

Mr. President, I will end with a quote from Dwight Eisenhower, who observed in 1953,

> Every gun that is fired, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. The world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children.

General Eisenhower had it right. Mr. President, I urge my colleagues to defeat the Thurmond-McCain amendment.

Mr. COATS. Mr. President, I am a supporter of this historic budget. But I want briefly to comment on the level of defense spending it recommends—a level I believe is clearly inadequate to retain our long-term readiness and the quality of life of our men and women in uniform.

Balancing the books is one of the most important duties of Government. But it is not the first duty of Government. That duty is the defense of our country, this means more than defending our borders. It means shaping a security environment that will be favorable to America in the future. It means providing our troops with the training they need and the equipment they require.

The Armed Services Committee has spent a good deal of time and effort this spring, through hearings and briefings, exploring the current and future needs of our military.

Although the cold war is over—we have found that the demands we place on our military have not diminished. If anything, they have expanded—into quick deployments, in high-risk situations, under tremendous danger and strain. For example:

Our shrinking forces in Europe—from 314,000 prior to the fall of the Berlin wall and now rapidly approaching 100,000—have been deployed in more missions in the last 5 years than in the previous 45 years.

The average soldier now spends approximately 138 days each year away from home on extended, short notice deployments. This must be combined with extensive training to maintain key skills.

Our Navy surface ships, and the men and women who man them, are deploying and training at tempos that keep them away from home in excess of 130 days per year, on average.

The Marines currently have 24,000 people deployed overseas carrying out 911 fast reaction assignments. Just to give you some concept of the pace of change in the Marines, the total manning level for the Marines has been stabilized at 178,000. During the last 5 years, the Marine Corps downsized 24,000 personnel—the same figure which is currently deployed.

The Air Force has gone from 18 active fighter wings to 13 wings resulting in a four-fold increase in deployment obligations over the last 7 years—while drawing down the overall end strength by one third. These commitments have required a quadrupling of the total number of people deployed over the last 5 years.

My point is this: A serious gap is opening between the military mission we define and the level of funding we provide. Unfortunately, the budget resolution before us continues this dangerous trend, which may leave our forces without the tools, training or equipment to fulfill future tasks we will ask of them.

The Gulf war is our benchmark of American military success. It is an effort we must be able to duplicate, well into the future. But even that war was conducted under the most favorable circumstances.

We had 6 months to move equipment and troops into the region. It is very unlikely we will enjoy that sort of advantage in other situations.

Our training and logistics were given extensive time to put into place.

Our opponent had inferior technology, and no known weapons of mass destruction.

All the surrounding countries in the region were friendly.

The international community was solidly behind us.

As we plan for the next war—a war we hope will never come—it would be foolish to base our strategy on advantages we enjoyed in the last one. And I am deeply concerned we have squandered some of the advantages we can control.

If we attempted today to engage in a major regional conflict, I believe we have placed artificial handicaps on our ability to project American power. Future enemies have gained from the lessons learned by Iraq, and will not allow a protracted buildup to take place. We would not be able to conduct such a war because the shortfalls in air and sea lift capabilities would prevent it.

The drawdown in personnel over the last 4 years is another critical element in this debate. The proposed budget levels will not allow us to adequately address these shortfalls. We need additional funding in defense to develop capable and modern equipment, and allow our men and women to do the job assigned to them.

In addition, with this continued decline of our defense, we are sending the wrong message to the world, especially to our allies—a message of retreat and withdrawal. America has world-wide commitments and national interests which must be maintained. Our ability to back-up those obligations, with a strong and viable military, should be one of our highest priorities.

If we build our economic security but cripple our military capability in the process, then we will have failed both our children and our Nation. Maintaining America's national strength is our best assurance of peace—and that peace is worth the price.

Mr. President. I support the Thurmond amendment. It is an effort to reverse a dangerous trend, and restore a national resource—the strength of our Nation. I urge the Senate adopt the amendment from the Senator from South Carolina.

Mr. THURMOND. Mr. President, before the Senate votes on this amendment, I want to be sure that my colleagues on both sides of the aisles understand the importance of this vote.

If the Senate elects not to support an increase in defense spending, then the responsibility for underfunding defense for the last 2½ years will no longer rest with the administration. By accepting the Budget Committee recommendation to accept the administration's proposed defense budgets we, the Members of the Senate, must bear full responsibility for decreasing readiness and the lack of modernization in our Armed Forces.

The Armed Services Committee has received a large number of letters requesting assistance and support for items in the defense budget or funds to be added in the authorization process. I want to make it clear that it will be very difficult to include any new programs or proposals that add money to existing defense programs without the increase in funds this amendment provides. Furthermore, resources to provide additional equipment for the National Guard and Reserves will not be available. Programs within the budget that are already at jeopardy such as the third Seawolf submarine are at greater risk without the increase this amendment provides.

Mr. President, this is not a threat but reality. I hope all my colleagues will consider this amendment carefully and vote to provide the funds needed for an adequate defense for our Nation.

Mr. ABRAHAM. Mr. President, I rise in support of the Thurmond-McCain amendment to increase the level of defense spending to a reasonable level. Throughout my campaign, I promised the voters to oppose additional cuts in defense, and sufficiently fund important weapons systems modernization programs needed to ensure our forces' technological supremacy. Although there may no longer be a monolithic threat to our existence, there are a myriad of threats and strategic interests which warrant a United States military force level capable of protecting them.

In defining and protecting the U.S. strategic interests, the Clinton administration has been negligent. It has consistently failed to request the funds necessary to field, maintain and train the forces necessary to carry out its own National Security Strategy. Estimates of this budget shortfall range from almost $50 billion to over $480 billion during the next five years. In fact, the President's budget will allow military spending to fall below the anemic levels provided to the hollow forces of the Carter administration. From 1985 to the end of the Clinton administration's budget in 2001, critical procurement modernization programs will fall over 57 percent, while research and development spending is cut by almost 40 percent.

Therefore I believe our military capability is seriously compromised. Senator MCCAIN's February 1995 Report on Military Capabilities and Readiness stated that although smaller forces can still be militarily effective, they must also be ''continually enhanced through modernization.'' The former service Chiefs of Staff who conducted this study found military modernization at a standstill, while procurement and research and development budgets were insufficient to maintain our force's technological superiority.

Mr. President, in light of these conditions, I find it imperative to support the amendment proposed by Senator THURMOND. This amendment would increase defense spending by $67.9 billion over seven years and finance it by an equivalent reduction in non-defense discretionary spending. As I mentioned during the debate on the Gramm tax cut amendment, I agree that it is possible to reduce discretionary spending further than what is proposed in the budget resolution. However, I do not think it is prudent to do so on a proportionate across-the-board basis. In my judgement, additional program eliminations and consolidations in targeted areas of the budget is the proper course to follow.

In closing, providing for the Nation's defense is the Federal Government's first and primary responsibility. To

allow the President to deplete our military below that level necessary to protect our strategic interests is irresponsible and ill-advised. We must increase the funding to the National Defense account and we must do it now.

The PRESIDING OFFICER (Mr. ABRAHAM). Who yields time?

Mr. DOMENICI. Mr. President, I think the time is getting out of balance in terms of those in favor and those opposed. Do we have any people who might speak in opposition?

Mr. EXON. We will have somebody in just a moment.

There has been some misunderstanding on time. At the present time, will the Chair advise the Senate how much time is allocated and remaining to the proponents of the amendment, and what is the split on the time with regard to the other side?

The PRESIDING OFFICER. The proponents have 25 minutes remaining. The opponents, the Senator from Nebraska, would have 50 minutes.

Mr. EXON. Mr. President, I did not hear the time in answer to my question.

The PRESIDING OFFICER. I am sorry. The proponents would have 25 minutes remaining. Senator DOMENICI would have 10 minutes. And you would have 50 minutes remaining.

Mr. EXON. I thank the Chair.

Mr. DOMENICI. Did Senator THURMOND want to yield some time or did he want to wait?

Mr. THURMOND. I will wait and let them speak.

Mr. DOMENICI. I think that would be fair.

Mr. EXON. I inquire of the Senator from Iowa, [Mr. GRASSLEY], who asked for some time, is he prepared to offer his remarks at this time?

Mr. GRASSLEY. Yes, I am.

Mr. EXON. How much time does the Senator from Iowa wish?

Mr. GRASSLEY. Could I have 5 minutes for the moment. I may want some time later on.

Mr. EXON. I yield 5 minutes, and if the Senator needs more time I will be glad to yield it.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, this is a battle that is mainly being fought on the Republican side. There are Republicans who are bent on pumping up the defense budget once again. There are a lot of Republicans on this side who are of the opinion that that should not be done. They may not speak as well about that issue, so I am going to do what I do quite often, oppose the efforts by my distinguished colleagues on the Republican side of the aisle, to make sure that we do not spend any more money on defense than what is in the very well-crafted compromise put together by the distinguished chairman of the Budget Committee, Senator DOMENICI.

The proposal to pump up the defense numbers makes no sense at all. I think it defies all reason and all understanding. I am baffled by their proposal; more important, baffled by the number of $92 billion, higher than anything I had heard spoken of behind the scenes over the last month that might come up at this particular time.

What they are doing is starting back on the slippery slope towards higher defense budgets that is a license for further waste and mismanagement. Not only that, but the world situation does not call for spending more money at this particular time. The Soviet threat is gone. The cold war is over. But the debate in Congress for spending more for defense is reminiscent of that era.

There has been a dramatic decrease in the primary threat to our national security as we knew it. We have rewritten our national security goals, but the budget that my colleagues want the increase for is defined in those cold war terms.

The defense budget is coming down, and it should be coming down. So why do they say that it needs to go up? Why and for what? There is no good reason. The bureaucrats at the Pentagon say that they need more money, and they say they need it right now. That is the reason. That happens to be the only reason.

Once again I wish to remind my colleagues what happened on May 2, 1985. The Reagan administration was trying to continue the pumped up defense numbers that had been in existence for 3 years at that particular time. They were trying to push defense spending from around $255 billion in fiscal year 1985 to around $300 billion in fiscal year 1986, and then to $400 billion, and then to $500 billion in the years beyond.

Now, that was at the height of the cold war and the height of Soviet military power. The rise in the Soviet military power was the principal driver behind the plan to push the Pentagon budget to $500 billion by the year 1990. But on May 2, 1985, the Senate rejected this Reagan defense budget buildup even in the face of massive Soviet military power.

This measure, the fiscal year 1986 budget resolution, put a brake on that, effectively ending the planned growth of the Pentagon budget. If we rejected a defense budget buildup to those numbers in 1985 when we were confronted with a serious military threat, why would we now move to pump up the budget when that threat has literally evaporated? Why would we do that?

As we learned back in the 1980's, higher defense budgets only bring higher costs, more overhead, and more waste, as long as the Department of Defense management leadership remains AWOL. More money for defense when the threat to our national security has decreased dramatically cannot be justified. The numbers before us in this amendment then cannot be justified.

May I have 2 more minutes?

Mr. EXON. I yield 2 additional minutes.

Mr. GRASSLEY. The international situation today as we know it points to decreasing threats and a call for defense numbers to stay flat. If we pump up the budget now, we will be buying weapons that we do not need, weapons like the *Sea Wolf* submarine, the F–22 fighter, more B–2 bombers, *Comanche* helicopters, all designed to defeat a threat that no longer exists. The *Sea Wolf*, the F–22, the B–2 and the *Comanche* are all cold war relics. The cold war warriors are trying to buy cold war weapons on a post-cold war budget. That is the only reason we are having the debate on this amendment today.

This kind of defense policy will give us another hollow force like we had in the 1970's. We will end up with another hollow force because the cold war warriors have to rob the readiness accounts to pay for the cold war relics. They have to rob the readiness accounts because all the cold war weapons are underfunded. They are underfunded because this outrageous price tag cannot be justified in the absence of a Soviet military threat.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I yield 12 minutes to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Nebraska. I congratulate him on his excellent work on this measure.

Mr. President, a number of recent newspaper articles, in the Washington Post and the Baltimore Sun, have reported on the extent of financial mismanagement in the Department of Defense. These reports indicate that this mismanagement has resulted in at least $28.8 billion lost in overpayments to defense contractors or simply unaccounted for over the past decade. Unbelievably, this amount is down from $48.7 billion in 1993. The current Department of Defense comptroller, Mr. John Hamre, has had the unenviable task of trying to sort out the extent of the problem and the multiple causes for it. He is to be commended for his diligence and honesty in dealing squarely with this issue, and he deserves our support as he attempts to correct the underlying morass of multiple and confusing payment and accounting systems that created the current crisis. But the fact is, the Department of Defense cannot adequately safeguard the roughly $260 billion that it is entrusted with each year. Yet the amendment before us would increase the money entrusted to the Department of Defense by $92 billion over 7 years. This amendment would cut deeper into the shrinking accounts for energy, agriculture, education, and law enforcement programs—programs that directly benefit every American citizen—in order to pour more money into

a defense money bucket that has so many holes in it that it might better be described as a money sieve.

According to the press reports, which also cite Department of Defense Inspector General and the General Accounting Office reports, basic accounting and record-keeping procedures, required of even the smallest private office, are not widely followed in the Department of Defense and the military services. Invoices and payment records are not reconciled, yearly tracking of funds spent on equipment or programs is not done, and program managers are authorized to write checks on the Department of Defense account without checking the balance in the central registry. And the Department of the Treasury covers the Department of Defense's bad checks, so no one is ever held accountable for their profligate spending. Charles A. Bowsher, the Comptroller General of the United States for the General Accounting Office, has stated in written testimony before the Appropriations Subcommittee on Defense that ''none of the military services or major DoD components have produced reliable financial statements since the passage of the CFO [Chief Financial Officers] Act of 1990.''

According to the DoD Inspector General, $14.7 billion cannot be accounted for with invoices, so the Department of Defense cannot say that it is not buying unneeded or unnecessary items. Over $7 billion worth of goods and services were purchased by military offices in excess of the amounts authorized by Congress. Every year, the Department of Defense overpays defense contractors by $500–750 million. According to the General Accounting Office, while contractors generally notify the Department of Defense when they are overpaid, they may not return the payments unless instructed to do so. As of July 1994, a sample of large and small defense contractors were holding approximately $231.5 million in contract overpayments, including one that had been outstanding for about 7 years, costing the government about $5 million in interest. This is not a system that needs more money added to it.

While many of these appalling examples of waste are due to the problems inherent in antiquated and confusing accounting systems, 19 different payroll systems, and over 200 different contracting systems, there are also troubling examples of potential fraud that are being investigated. One involves an investigation into whether Air Force officials used money from various weapons programs to construct a golf course. In today's difficult fiscal environment, it is essential that every defense dollar goes toward maintaining the readiness of our fighting forces and is not diverted to golf courses or to purchasing items in excess of defense needs because we cannot keep track of our money.

Secretary of Defense Perry and Mr. Hamre have made great progress in correcting this mess, which stretches back over decades but was exacerbated during the defense buildup in the 1980's. The number of accounting programs are being reduced, the financial staff is being halved and consolidated from 300 offices nationwide to 25, and a system is being implemented to check all payments against invoices. The number of different military and civilian pay systems have also been reduced.

These are important steps, and they are necessary steps. In his written testimony before the Senate Appropriations Defense Subcommittee this morning, Mr. Hamre estimated that through the consolidation and standardization of its financial systems and operations, the Defense Finance and Accounting Service will achieve substantial savings in its own operating costs, on the order of $57 million in fiscal year 1997. I would hope that these savings would be put to use further upgrading and consolidating the Department of Defense accounting systems into a smoothly functioning system. Improvements in financial management at the Department of Defense should whittle down the current $28.8 billion in so-called ''problem disbursements.'' These savings should fund increases in defense programs, not false savings brutally carved with a meat axe from already lean energy, agriculture, education, and law enforcement programs.

Mr. President, I urge my colleagues to vote against this amendment, and I say that with all due respect to the cosponsors thereof.

Mr. President, I ask unanimous consent that the articles to which I referred in my statement be printed in the RECORD.

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

[From the Baltimore Sun, May 17, 1995]

PENTAGON UNABLE TO ACCOUNT FOR $28.8 BILLION; ERROR-PRONE PAYMENT SYSTEM CITED

(By Gilbert A. Lewthwaite)

WASHINGTON.—The Pentagon is facing an accounting gap, with discrepancies on its books totaling $28.8 billion, its top financial officer told Congress yesterday.

The problem includes a $13 billion imbalance between checks the Pentagon has written over the past 10 years and the vouchers it can produce to account for those payments. The other $15 billion is from a variety of bookkeeping shortcomings.

Pentagon comptroller John Hamre said $1 billion worth of ''problem'' disbursements were being made monthly without being properly matched to invoices.

''We got into this sad state of affairs because we designed a system where you pay now and account later,'' he told the Senate Armed Services subcommittee on readiness. ''It isn't that we have wicked people trying to screw up, it's that we have a system that's so error-prone that good people working hard are going to make mistakes.''

The Pentagon's finances are in such bad shape that Sen. Carl Levin, a Michigan Democrat, said the Defense Department may need the sort of financial control board imposed on the District of Columbia.

''This is totally unacceptable. There is a lot of money here which is going through the sieve,'' said Mr. Levin, adding that voters experienced ''frustration, disappointment, indeed, anger'' over reports of continuing Pentagon waste, fraud and abuse, particularly at a time when Congress was ordering major spending cuts in other programs.

Mr. Hamre, in an effort to explain the accounting difficulties, said the Pentagon each month processes 2.5 million invoices, spends $9.2 billion and issues 10 million paychecks.

''So that's 10 million times to get things screwed up,'' he said.

His own pay, he said, had been miscalculated six times in the 18 months he has spent in the department, adding: ''And it's really bad when you screw up your boss' pay. And I've done that a couple of times.''

Mr. Hamre's boss, Defense Secretary William J. Perry, has made financial reform a priority in an effort to save money, which can be spent on improving the combat readiness of the armed forces.

The Perry plan calls for reducing the 250 accounting systems the Pentagon operates, halving of the financial staff of 46,000 to 23,000 in five years, and consolidating 300 accounting offices nationwide into 25 financial centers.

To phase out the practice of paying first and accounting for the payment later, beginning July 1 any Pentagon payment of more than $5 million will have to be checked against an invoice, said Mr. Hamre. After October 1, the new rule will apply to payments of more than $1 million. Eventually it will apply to all payments.

The military pay systems for uniformed personnel has been reduced from 18 in 1991 to six today, and will be down to two in 1997. Civilian pay systems have been reduced from 18 to 10. By 1998 there will be a single civilian pay system.

Mr. Hamre said the Defense Department was also screening its retirement rolls after 1,000 military pension recipients in the Philippines failed to turn up at the U.S. Embassy to confirm their status. They were then struck from the rolls.

The Senate panel heard that in fiscal 1994 the Pentagon was accountable for more than $1 trillion in assets, 3 million military and civilian personnel, and $272 billion in expenditures—approximately equivalent to 50 percent of the federal government's discretionary spending.

''It's big bucks,'' said Sen. John Glenn, a leader in the decade-old campaign to reform the Defense Department's accounting systems. ''If any of the civilian agencies on the chopping block had [the Pentagon's] record on financial management, they would probably be at the top of the hit list.''

Charles A. Bowsher, U.S. comptroller general and the top federal financial watchdog, said the Perry blueprint for financial reform was ''a good overall plan,'' but he added that only ''modest progress'' had been made in implementing it.

Asked about overpayments of an average $750 million yearly to defense contractors, Mr. Bowsher said that frequently it was the contractors themselves who revealed the overpayments to the Pentagon.

An accounting firm, hired by the General Accounting Office to check on 5,000 defense contracts since 1990, found $285 million in overpayments. To date the Pentagon has demanded repayment of $133 million, but has actually collected only $85 million, a GAO official said.

Mr. Bowsher also pointed to the ''Byzantine'' process of obtaining a military travel voucher, which involved 40 transactions costing the defense department 30 cents for every travel dollar. Administrative charges in the private sector were down to 1 cent for every dollar, he said.

[From the Washington Post, May 14, 1995]

BILLIONS GO ASTRAY, OFTEN WITHOUT A TRACE

(By Dana Priest)

Each year, the Defense Department inadvertently pays contractors hundreds of millions of dollars that it does not owe them, and much of the money is never returned.

In addition, the department has spent $15 billion it cannot account for over the past decade.

And Pentagon purchasing agents appear to have overdrawn government checking accounts by at least $7 billion in payment for goods and services since the mid-1980s, with little or no accountability.

Unlike the infamous $7,600 coffee pot and $600 toilet seat pricing scandals of years past, these problems, and many more, are the result of poor recordkeeping and lax accounting practices that for years have characterized the way the Defense Department keeps track of the money—$260 billion this year—that it receives from Congress.

According to a series of investigations by the department's inspector general and the General Accounting Office, and ongoing work by Pentagon Comptroller John J. Hamre, the Department's systems of paying contractors and employees are so antiquated and error-prone that it sometimes is difficult to tell whether a payment has been made, whether it is correct, or even what it paid for.

Just how much money does the poor accounting waste?

Former deputy defense secretary and new CIA Director John M. Deutch wouldn't hazard a guess. ''Lots,'' he scribbled recently on a reporter's notebook in response to a question.

For months after he took the job as chairman of the Joint Chiefs of Staff in late 1993, Gen. John Shalikashvili received paychecks for the wrong amount. In the last year and a half, Comptroller Hamre counted six problems with his own pay.

A paper-based system in which items frequently are misplaced or lost and computers that often cannot talk to each other are part of the problem. But there are other major systemic weaknesses. A lack of basic accounting procedures—such as matching invoices and payment records, or keeping track of money spent on a given piece of equipment from one year to the next—has made it impossible to determine how billions of dollars have been spent by each of the service branches.

In addition, Hamre explained, tracking the money has been nearly impossible because 300 different program directors—the Air Force F–16 fighter program director, the commanding officer of an aircraft carrier, the head of a maintenance depot, for example—have had separate checkbooks, each one free to write checks without regard to the balance in the Pentagon's central registry.

The U.S. Treasury has always paid the bills, even when there was no money in a given project's account, because it assumes any error was unintentional and someday would be corrected, said Pentagon officials and inspector general investigators.

''There's this huge pot of money over there in the Treasury that you can keep drawing down,'' said the Deputy Inspector General Derek J. Vander Schaaf. ''As long as your [overall] checkbook's good,'' he said, meaning the Treasury, ''nobody screams.''

The problems were created over several decades and made worse during the 1980s Reagan administration defense buildup during the latter days of the Cold War, when there was little political will to scrutinize the record sums being spent.

Today, however, even ardent defense hawks have become disturbed over the mismanaged flow of funds. Some Republicans who looked deeply into the matter are suggesting a freeze on military spending until the Pentagon's corroded payment system can be permanently fixed.

''The defense budget is in financial chaos,'' said Sen. Charles E. Grassley (R-Iowa), who is advocating a freeze. ''The foundation of the defense budget is built on sand.''

A Senate Armed Services subcommittee is scheduled to hold a hearing on the problems Tuesday. It will be chaired Sen. John Glenn (Ohio), a Democrat, who was authorized by Republicans to conduct it because of his long-standing interest in the subject.

Among the problems detailed by the Defense Department, the Pentagon inspector general and the GAO:

Of the 36 Pentagon departments audited by the inspector general (IG) in the last year, 28 used ''records in such terrible condition'' as to make their annual financial statements—an accounting of money collected and money spent—utterly worthless, said Vander Schaaf.

Financial officials cannot account for $14.7 billion in ''unmatched disbursements,'' checks written for equipment and services purchased by all military units within the last decade. This means that accountants know only that a certain amount of money was spent on the overall F–16 jet account, for example, but not how much was spent on F–16 landing gear or pilot manuals because they cannot find a purchase order from the government to match the check.

''You don't know what you're really paying for,'' Vander Schaaf said.

The $14.7 billion represents ''hard-core problems'' where department accountants have tried but failed to find the records. ''We could be paying for something we don't need or want,'' said Russell Rau, the IG's director of financial management.

In the last eight years, various military offices appear to have ordered $7 billion worth of goods and services in excess of the amount Congress has given to them to spend. These ''negative unliquidated obligations'' may indicate that a bill has been paid twice or mistakenly charged to the wrong account because bookkeepers at hundreds of maintenance depots, weapons program offices and military bases did not keep track of payments they made, said Vander Schaaf.

Of the $7 billion ''the government has no idea how much of this balance is still owed,'' Rau said.

Hamre has threatened to take part of the $7 billion out of the military services' current operating budget if they cannot find documentation for the expenditures by June 1.

Every year the Defense Department pays private contractors at least $500 million it does not owe them, according to Vander Schaaf. The GAO believes the figure is closer to $750 million.

The payment system is in such bad shape that the Pentagon relies on contractors to catch erroneously calculated checks and return them. Many of the overpayments are due to errors made on a paper-based system in which harried clerks are judged by how quickly they make payments. And because there is no adequate way to track the amount of periodic payments made on a contract, businesses often are paid twice for the work they have done.

Defense Department finance officials believe they are recouping about 75 percent of the overpayments, although they admit they have no way of knowing exactly how much is being overpaid.

Today, after an 18-month struggle by Hamre to turn the situation around, the department still has 10 payroll systems and 200 different contracting systems.

Hamre, who wins praise from Republicans and Democrats for his efforts, has undertaken a major consolidation of payroll and contracting offices. He has opened more than 100 investigations into whether individual program managers or service agencies violated the law by using money appropriated for one program for something else or for paying contracts that exceeded their budget.

He has frozen 23 major accounts and has stopped payment to 1,200 contractors whose records are particularly troublesome. In July, clerks will be prohibited from making payments over $5 million to any contractor ''unless a valid accounting record'' of the contract can be found. By October, the amount drops to $1 million, which means it will affect thousands more contracts.

According to Hamre and Rau, a number of cases are under investigation for possible violations of the Anti-Deficiency Act, the law that governs how congressionally appropriated money must be spent. Penalties range from disciplinary job action to criminal prosecution. Investigators are trying to determine:

Why there is an unauthorized expenditure of around $1 billion on the Mark 50 torpedo, and the Standard and Phoenix missiles. Hamre and Rau suspect that Navy officials used money appropriated for other items or wrote checks on empty accounts to pay contracts from 1988 and 1992.

Whether Air Force officials used money from various weapons programs to build a golf course at Wright-Patterson Air Force Base in Ohio beginning in 1987.

What happened when some programs ran out of money. ''There are some [cases] in the Air Force now that really stink,'' Hamre said. When money for the Advanced Cruise Missile ran out, Air Force officials simply terminated the existing contract and rewrote another, more expensive one the following day, Pentagon investigators recently concluded. In order to pay for cost overruns associated with the new C–17 cargo plane, contract officials simply reclassified $101 million in development costs as production costs.

Hamre said the services allowed such money mingling to go on partly because of the complexity of the yearly congressional appropriations process. ''People want to find an easier way to get the job done,'' he said. ''They are trying to get some flexibility in a very cumbersome system.''

But, he added, some services also have resisted correcting problems and punishing wrongdoers. ''I'm very frustrated by it,'' he said. ''In the past, they just waited until people retired. It was the old boy network covering for people.''

The Defense Department is unlike any government agency in scope and size. It sends out $35 million an hour in checks for military and civilian employees from its main financing office in Columbus, Ohio. And it buys everything from toothbrushes to nuclear submarines; about $380 billion flows within the various military purchasing bureaucracies and out to the private sector each year.

It takes at least 100 paper transactions among dozens of organizations to buy a complex weapons system. Some supply contracts have 2,000 line items and, because of the congressional appropriations process, must be paid for by money from several different pots.

Fixing the problems without throwing the entire system into chaos, Hamre said, ''is like changing the tire on a car while you're driving 60 miles per hour.''

But some argue it has never been more important to make the fixes quickly.

''Here we are in a period of reduced spending, it's critically important today that we

get a bigger bang for the buck,'' said Sen. William V. Roth Jr. (R.-Del.), chairman of the Government Affairs Committee, where many of the current problems were first revealed. ''We've got to put pressure on to expedite it. At best, it will take too long.''

But in the world of Defense Department financing, time is not always a solution, as one small example illustrates.

In 1991, because of a computer programming error, the department's finance and accounting service centers erroneously paid thousands of Desert Storm reservists $80 million they were not owed. When officials realized the mistake, they began to send letters to service members to recoup the overpayments. Many veterans complained to Congress, which then prohibited the Pentagon from collecting any overpayment of less than $2,500 and made it give back money collected from people who received less than that amount.

To comply, the Defense Finance and Accounting Service (DFAS) payment centers in Cleveland, Denver, Indianapolis and Kansas City created new computer programs to cancel the debts and issue refunds. But they did not adequately test the new programs, IG and GAO investigators found.

As a result, the appropriate debts were not canceled, and improper amounts of refunds were issued, often to the wrong service member. The DFAS center in Denver, for example, canceled $295,000 that service members owned it for travel advances. In all, the botched effort to follow Congress's direction cost taxpayers an additional $15 million, Pentagon officials said.

''It isn't possible now'' to recoup the money, Hamre said. ''We can't reconstruct the records. We admit were really, really bad. We don't do it again.'' The IG's office has agreed that it would be too costly to reconstruct the records and recoup the loss.

As he often does when he testifies about these matters on Capitol Hill, Hamre confessed to the Senate Armed Services Committee recently: ''We've made a lot of progress. But we've got a long way to go.''

Mr. BYRD. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield Senator NUNN 5 minutes.

Mr. NUNN. I thank my friend from South Carolina.

Mr. President, I rise in support of the Thurmond-McCain amendment to increase the defense spending levels in this budget resolution.

For over 2 years, I have been expressing my concern that projected defense budgets are not sufficient from four standpoints: First, to maintain the current readiness of our forces; second, to provide the standard of living that military personnel and their families expect and deserve; third, supporting the force structure necessary to carry out the full range of missions that we expect our military forces to be able to perform; and fourth, to provide for the modernization that is the key to the future capability of those forces. The modernization of our forces, which is essential to future readiness, is an area of increasing concern, Mr. President, and this is an area where we are most deficient today.

The men and women in the military continue to perform superbly every time they are called on, and we are calling on them all the time. We owe it to them to give them the support they need to do their job. We also have to ensure that the men and women who will be called on 5, 10, or 20 years from now will have the same advantages vis-a-vis their opponents that our forces have today, including the technological superiority that played such a key role in Operation Desert Storm and plays such a key role everywhere our forces are deployed today.

While I am encouraged by the funding for readiness, military pay raises, and quality of life initiatives Secretary Perry has recommended in the President's budget, I think there are clearly insufficient funds going into modernizing the force. Modernization, for the most part, is delayed into the outyears under the current future years defense program. We all know how illusory these budget projections become 4 or 5 years down the road.

Under the current budget, 1996 and 1997 will be the second and third straight years during which the Air Force will not purchase a single new fighter aircraft. The Air Force has no bomber program. Our leading standoff weapon program has been canceled, yet the budget, at this stage, contains no funds to replace that capability. The number of navy ships is not nearly enough to replace even a 300-ship Navy. and the Marine Corps is years away from having a replacement for its aging amphibious assault vehicles. It would not take long to list the Army's modernization programs, but it would take a long time to list the deficiencies in that program.

The fiscal squeeze on the defense budget is already intense. As we seek to balance the budget, and properly so—especially if we try to enact tax cuts, which I think are ill-advised, and which I hope this body will vote against this afternoon—if we do that, however, the pressure is going to get more and more intense on the defense budget. This gives me even less confidence in the outyear funding predictions that show funds for defense modernization increasing.

In my view, we need to increase the defense topline now particularly in the outyears, to restore the balance to our defense program. We also need to reinstate the firewalls.

And I congratulate the chairman of the committee and the members of the Budget Committee for doing this in the resolution. That is enormously important to protect any defense increases we are able to achieve and to provide some stability in the defense budget. Firewalls have not and will not mean that defense cannot be cut. What it does mean is that these cuts will not be shifted to other programs, and that means that if there are defense cuts and the firewalls are in, then the cuts will go to deficit reduction. I believe that is appropriate, and I think that is the way that defense is best protected.

We have been reducing the defense budget for a long time. The current builddown started during President Reagan's second term, even before the fall of the Berlin Wall, and continued, accelerated, throughout the Bush administration and the current administration. I believe the time has come to stabilize the defense budget as much as possible, since the defense budget has already made a greater contribution to deficit reduction than any other part of the budget; I might add, than all of the budget combined.

In my judgment, the administration needs to restore some balance to the defense program but Congress' recent action are a good news/bad news story.

The good news is that the House budget resolution provided an increase for the defense budget. This amendment would do the same in the Senate budget resolution. And the Senate budget resolution, unlike the House version, contains firewalls. But there has been bad news for defense as well.

THE SENATE RESOLUTION DOES NOT INCREASE DEFENSE

First, although there have been a lot of statements that the President's defense budget and Bottom-Up Review force structure are inadequate, this resolution as reported out by the Budget Committee contains no increase for defense above the levels proposed by the administration—in fact in the final 2 years it is lower than the administration's plan.

And while the House version of this resolution does increase defense, the House voted earlier this year in their tax cut bill to pay for the tax cut largely by cutting discretionary spending, which includes defense, and the House did not include firewalls in either the tax cut bill which reduced the discretionary caps or in their budget resolution. So the House has put discretionary spending on the table to pay for cutting taxes, which certainly makes it more difficult to find the money to increase the defense budget.

REQUIREMENT THAT DOD ABSORB THE COST OF CONTINGENCIES

Second, despite the frequent complaints about the cost of contingency operations and their effect on readiness, the defense supplemental enacted earlier this year required the Department of Defense to absorb almost the entire cost of these contingency operations—the very practice that had been criticized in the past. In fact, the House leadership wrote to the President earlier this year stating their intention that as a matter of policy all future supplementals would have to be offset.

This resolution would essentially adopt that same approach by requiring 60 votes for any future emergency supplementals, instead of a majority vote as has been the case in the past. Of course this only applies to discretionary funding, since entitlement programs could continue to increase without even requiring votes, let alone supermajority votes.

Mr. President, I have several concerns with the approach the Congress

has taken on supplementals so far this year. The defense supplemental did not provide the net increase in defense spending for readiness that was requested by the Clinton Administration, despite the concerns many of my colleagues have expressed about readiness. The cost of these contingencies were made up almost entirely by cutting elsewhere in the defense budget, and those cuts came in modernization.

So the scorecard so far in this new Congress is that the defense budget, as it now stands, counting the supplemental, is below what President Clinton had asked for. So to those in the Congress of the United States who are saying the Clinton defense budget is too low, and people on both side of the aisle are saying that, I say to them we are cutting below the President's budget, not in this resolution, but in the overall supplemental and that approach.

I am also troubled by the impact that a policy of making DOD absorb the full cost of these contingencies could have on the defense budget and on defense management. It largely defeats the purpose of having supplementals, and I can already predict some of the problems we are going to have with this policy.

I am not sure we have really thought through the impact of what we may be doing to the military with this 100 percent offset approach. Earlier this year, Gen. Gordon Sullivan, the Chief of Staff of the Army, told the Armed Services Committee that if the Congress adopts a policy of forcing the military to completely offset the costs of any contingency operation:

> * * * it is just going to destroy our training programs, our quality of life programs, and it is going to be difficult to manage the readiness of the force * * *. It is going to come out of reducing real property maintenance. We may have to furlough civilians, terminate termporary employees, curtail supply requests, park vehicles, reduce environmental compliance. It is going to have a major impact.

General Sullivan said that in the event the military is told to assist a large-scale evacuation of U.N. personnel from Croatia:

> I just have to stop training, and I will have to move money around from elsewhere to keep that operation going since obviously what you expect me to do is to fight and win you wars. So, I will have to get the money from people who are not doing that to support it.

Now that may sound like an exaggeration to some, but if you understand the laws that govern the defense budget, you will see why General Sullivan's comments are right on target. The cost of an operation, such as paying for the airlift to get there, the fuel, spare parts, and so on, must come out of the operating budget. The military does not have the authority to fund contingency costs by diverting funds from the procurement of weapons, or from research or military construction or military personnel accounts, even if they wanted to.

And even within the operating budget, there are further constraints. A large portion of the operating account is civilian pay, so you cannot save money there without firing civilians. And you cannot cut really cut the money to operate the bases—you have to pay the light bill. So the areas General Sullivan is talking about—training, maintenance and repair of the buildings on our military bases—are the only areas where the military has the flexibility to change its plans halfway through the year. And in fact that is exactly what happened last year—money had to be diverted from training.

In addition to my concerns about the financial impact on the Defense Department if this bill is viewed as a precedent, I also share the concerns expressed by my friend Senator INOUYE about the long-term policy implications of telling the military any future contingency they are involved in is going to come out of their budget dollar for dollar. This is going to have an impact on their ability and their willingness to respond to situations like Haiti or Cuba, or especially a much more expensive operation like peace enforcement in Bosnia, in the future. In effect, we could have our funding and budgeting procedures dictating our foreign policy and our decisions on the use of force.

I hope we do not set in concrete a policy of making the Defense Department absorb the costs of contingency operations, because if we are telling the Department of Defense that any time there is an emergency that comes up and they come over and request supplemental funds that they are going to have to provide a 100-percent offset, then we are going to change the nature of the responsiveness of the Department of Defense itself to the missions that may, indeed, be crucial to our Nation's security.

If the Department of Defense is told that any unanticipated operation they undertake, either unilaterally or with NATO or the United Nations, is going to have to be completely offset within the defense budget, which means they are going to have to basically kill or substantially alter crucial defense programs in order to absorb those costs, then the result is going to be a very strong signal that the United States is not going to be as involved as we have been in world affairs, including commitments to our allies and commitments that we have voted for at the U.N. Security Council.

MODERNIZATION FUNDS ARE THE FIRST TO BE CUT

The future readiness and future capability of the Defense Department requires modernization and it requires research and development, and those are the programs that were cut to fund the defense supplemental earlier this year, and those are the programs that will continue to be hurt by this policy of requiring complete offsets for contingency operations. Five or ten years from now, people will have a very serious problem with readiness if we continue to declare there is no emergency even when our forces are responding to the unanticipated events that we all know will take place somewhere in the world from time to time.

This is why I am supporting this amendment to increase the defense topline number. We have cut the defense budget so much already that there is very little flexibility left to deal with the unexpected, even though we all know that the Defense Department always has to be ready for the unexpected—we expect them to be ready for the unexpected. And I am very concerned that as we struggle to live within these drastically reduced budgets without further reducing our military capability, the Congress will, acting in good faith to preserve readiness, make cuts that will cause great harm over the long term.

You need look no further than the supplemental enacted earlier this spring to see the warning signs. What was cut to offset the cost of contingency operations? Basic science and technology research. Dual-use technology programs that are designed to better integrate our defense and civilian technology bases in order to get the Defense Department better technology at lower cost. In other words, programs that will pay off in the long term but seem easy to cut in the short term.

Another example is environmental cleanup at military installations, which was cut by $300 million in the supplemental. Is this program as important to our combat capability as funding training and modernization? Of course not. But the reason that environmental cleanup costs are so high now is that for years these problems were ignored. And if we push them under the rug again, we are only going to wind up with an even bigger bill down the road.

CONCLUSION

In conclusion, Mr. President, so far we have seen a lot more talk than action about enhancing our national security and increasing the defense budget. Many of my colleagues share my concern that we have cut the defense budget too far, too fast and that we are mortgaging our future by sacrificing the capability of our forces 10 years down the road in order to fully fund current readiness. The Thurmond-McCain amendment represents real action to enhance our national defense while at the same time putting us on a path to a balanced budget, and I urge my colleagues to support it.

I ask unanimous consent that a table showing real reductions in the defense budget be printed in the RECORD.

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

FISCAL YEAR 1996 SENATE BUDGET RESOLUTION

	1980	1985	1990	1995	1996	1997	1998	1999	2000	2001	2002
Nat Def BA (current dollars)	$143.9	$294.7	$303.3	$263.5	$257.7	$253.4	$259.6	$266.2	$276.0	$275.9	$275.9
DOD fiscal year 1996 deflators[1]	0.5383	0.7130	0.8378	0.9727	1.0000	1.0294	1.0595	1.0900	1.1195	1.1494	1.1801
NAT Def BA Const (1996 dollars)	$267.2	$413.3	$362.0	$270.9	$257.7	$246.2	$245.0	$244.2	$246.5	$240.0	$233.8
GDP (CBO estimates)	$3,746	$4,207	$4,853	$7,036	$7,370	$7,747	$8,152	$8,572	$9,013	$9,843	$9,978
Defense BA as percent of GDP	3.8	7.0	6.2	3.7	3.5	3.3	3.2	3.1	3.1	2.8	2.8

[1] CBO assumes higher inflation.

Real Changes

	(In percent)
1980–85	54.6
1985–90	−12.4
1990–95	−25.2
1995–2000	−9.0
1980–1990	35.4
1985–1995	−34.5
1990–2000	−31.9
1980–1995	1.4
1985–2000	−40.3
1980–2000	−7.7
1980–2002	−12.5
1985–2002	−43.4
1990–2002	−35.4
1995–2002	−13.7

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

Mr. NUNN. Mr. President, I thank my colleague from South Carolina and my colleague from Arizona for sponsoring this amendment. I urge my colleagues to support the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield 5 minutes to the distinguished Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. I thank the Senator from South Carolina, the chairman of the Armed Services Committee, for offering this amendment, along with Senator MCCAIN.

I commend both of my colleagues for this amendment to restore much needed funds to our defense program and to do it without adding to the deficit but by setting priorities throughout the budget, including the defense budget. I might add that that also has priorities shuffled around in order to help with this amendment.

I want to emphasize from the outset, again, it does not undermine the objective of a balanced budget by the year 2002. This amendment will not change that objective in any way. We still get to a balanced budget by the year 2002.

But what this amendment does do is to help stave off terrible shortfalls in military readiness training and modernization. We owe it to our troops in the field to have the training and modernization that they deserve if we are going to ask them to go into harm's way.

The defense reductions under President Clinton's budget, frankly, are wreaking havoc on our military capability. Most of us in this Chamber know that, especially those of us who are on the Armed Services Committee who see it every day.

I hope that my colleagues would listen carefully to those of us on the Armed Services Committee in both parties who have spoken so eloquently on this matter. This body simply cannot and must not legitimize a blueprint for disaster by approving these kinds of defense numbers.

Mr. President, I am troubled that the Budget Committee has endorsed the Clinton defense numbers. These spending totals are simply inadequate to safeguard our national security. And they are already having a very serious effect on readiness.

I am also troubled that the President has chosen to blame Congress for current deficiencies in military readiness. I would emphasize that this is the same administration that entered office and immediately cut defense by $178 billion, the same administration that has dramatically underfunded operations, maintenance, and readiness modernization and quality of life programs for our military families.

This is the same administration that has turned our Armed Forces into a 911 force all over the world on behalf of the United Nations, and yet we ask more and more and more and give them less and less and less.

This is the same administration that committed our military forces to occupy Haiti without the consent of Congress, costing taxpayers hundreds of millions of dollars.

This is the same administration that turned our naval base at Guantanamo into a refugee camp leaving the Defense Department stuck footing the bill to feed, clothe and bathe thousands of refugees indefinitely while subjected to the insults of many of them.

This is the same administration that has pledged $4 billion in nuclear reactors for North Korea at the time we are spending tens of billions of dollars to defend against a North Korean military threat.

I find these types of inconsistency preposterous. The truth is that the Clinton defense program is decimating our Armed Forces. Personnel tempo is going through the roof, our troops are being constantly deployed all over the world from Haiti to Somalia to Southwest Asia and back home, with little or no time to spend with their families, and they are out again going someplace else.

I urge my colleagues to talk to them, talk to the military personnel, talk to their families and find out how tough this is.

Depot maintenance backlogs are increasing; critical modernization programs are being terminated; morale is down; retention is down; 25 percent of our Army divisions were recently classified as unprepared to meet their mission requirements.

Mr. President, if Senators support this blueprint, which is so devastating our military capabilities, then they ought to oppose the Thurmond-McCain amendment. It is as simple as that. If you do not want to give our Armed Forces what they deserve, then go ahead and oppose the amendment. But if you share the view of the majority of Americans that this President has gone too far with these military reductions and our international security is in jeopardy, you should support the Thurmond-McCain amendment.

In conclusion, I want to emphasize this amendment does not add to the deficit, it will not undermine the balanced budget, and it will restore much needed funds back to our defense program to stave off an imminent disaster in military readiness.

I yield back any time I may have.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Does the opposition have any speakers, Mr. President? Mr. President, we will have to charge time over there.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I ask again, does the opposition have any speakers?

Mr. EXON. Mr. President, I suggest the absence of a quorum and the time be equally charged.

Mr. MCCAIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. THURMOND. Mr. President, I yield 5 minutes to Senator LOTT.

Mr. DOMENICI. We have an additional 10 minutes we can yield, too. Why do I not yield 5 of the 10 I have to Senator LOTT.

Mr. LOTT. Mr. President, if I could make a parliamentary inquiry, but not counted against my time, what is the status? Are we going to try to get some debate back and forth, or should I proceed at this point?

Mr. DOMENICI. I do not see how we can make them do that if they do not—the best we can do is put a quorum call in. When you put a quorum call in, under the statute, it is charged equally to both sides.

The PRESIDING OFFICER. It is charged to the side who suggests it.

Mr. DOMENICI. We have two alternatives. We can wait around and see if they suggest it or, if they do not, then we can just let the time run and it is equally charged. The Senator asked that it be equally charged under a UC?

Mr. EXON. Yes.

Mr. DOMENICI. Yes. What we are attempting to do is unsnarl a potential problem. If we can have a moment to talk we might be able to unsnarl it.

Mr. DOMENICI. Mr. President, I ask unanimous consent that we have 5 minutes charged to no one.

Mr. EXON. There is a suspicion somebody is trying to fool somebody else.

Mr. DOMENICI. Five minutes charged to neither side.

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

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and that the time be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. 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. DOMENICI. Mr. President, we have to advise Senators that the time has come to start a vote shortly. So I ask unanimous consent that at 3:45 p.m., the Senate proceed to vote on the stacked votes that had been postponed earlier today, in the following sequence: The Bradley motion to waive; on or in relation to the Roth amendment; on or in relation to the Gramm amendment; on or in relation to the EXON amendment.

I further ask unanimous consent that the first vote in the voting sequence be 20 minutes and that thereafter they be limited to 10 minutes each.

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

Mr. DOMENICI. Mr. President, I further ask unanimous consent that following the conclusion of the stacked votes, the Senate resume the pending amendment, which would be placed in status quo.

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

Mr. DOMENICI. I suggest the absence of a quorum until 3:45 p.m.

The PRESIDING OFFICER. With the time to be equally divided?

Mr. DOMENICI. That is fine.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. The vote on the EXON motion to waive the Budget Act is in order.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 47, nays 53, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—47

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

NAYS—53

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

The PRESIDING OFFICER (Mr. GORTON). On this question, the yeas are 47, the nays are 53. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained.

The amendment falls.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. BRADLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Iowa.

PRIVILEGE OF THE CHAIR—SENATE CONCURRENT RESOLUTION 13

Mr. HARKIN. Mr. President, I ask unanimous consent that Don Wiberg from the American Association for the Advancement of Science, a science fellow in my office, be granted the privilege of the floor for the duration of debate on this bill.

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

VOTE ON AMENDMENT NO. 1121

The PRESIDING OFFICER. The question is on agreeing to the Roth amendment, No. 1121. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any Senators in the Chamber who desire to change their votes?

The result was announced, yeas 50, nays 50, as follows:

[Rollcall Vote No. 177 Leg.]

YEAS—50

Abraham	DeWine	Kempthorne
Ashcroft	Dole	Kyl
Baucus	Faircloth	Lott
Bennett	Feingold	Lugar
Biden	Frist	Mack
Bond	Gramm	McCain
Brown	Grams	McConnell
Campbell	Grassley	Murkowski
Chafee	Gregg	Nickles
Coats	Hatch	Packwood
Cochran	Helms	Pressler
Coverdell	Hutchison	Roth
Craig	Inhofe	Santorum
D'Amato	Jeffords	Shelby
Simpson	Specter	Thompson
Smith	Stevens	Thurmond
Snowe	Thomas	

NAYS—50

Akaka	Ford	Levin
Bingaman	Glenn	Lieberman
Boxer	Gorton	Mikulski
Bradley	Graham	Moseley-Braun
Breaux	Harkin	Moynihan
Bryan	Hatfield	Murray
Bumpers	Heflin	Nunn
Burns	Hollings	Pell
Byrd	Inouye	Pryor
Cohen	Johnston	Reid
Conrad	Kassebaum	Robb
Daschle	Kennedy	Rockefeller
Dodd	Kerrey	Sarbanes
Domenici	Kerry	Simon
Dorgan	Kohl	Warner
Exon	Lautenberg	Wellstone
Feinstein	Leahy	

So, the amendment (No. 1121) was rejected.

Mr. GLENN. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 1123

The PRESIDING OFFICER. The question now occurs on agreeing to the Gramm amendment, No. 1123.

Mr. GRAMM. 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 assistant legislative clerk called the roll.

The result was announced—yeas 31, nays 69, as follows:

[Rollcall Vote No. 178 Leg.]

YEAS—31

Abraham	Gramm	McCain
Ashcroft	Grams	McConnell
Bennett	Hatch	Nickles
Brown	Helms	Roth
Campbell	Hutchison	Santorum
Coats	Inhofe	Shelby
Coverdell	Kempthorne	Smith
Craig	Kyl	Thompson
Dole	Lott	Thurmond
Faircloth	Lugar	
Frist	Mack	

NAYS—69

Akaka	Feingold	Lieberman
Baucus	Feinstein	Mikulski
Biden	Ford	Moseley-Braun
Bingaman	Glenn	Moynihan
Bond	Gorton	Murkowski
Boxer	Graham	Murray
Bradley	Grassley	Nunn
Breaux	Gregg	Packwood
Bryan	Harkin	Pell
Bumpers	Hatfield	Pressler
Burns	Heflin	Pryor
Byrd	Hollings	Reid
Chafee	Inouye	Robb
Cochran	Jeffords	Rockefeller
Cohen	Johnston	Sarbanes
Conrad	Kassebaum	Simon
D'Amato	Kennedy	Simpson
Daschle	Kerrey	Snowe
DeWine	Kerry	Specter
Dodd	Kohl	Stevens
Domenici	Lautenberg	Thomas
Dorgan	Leahy	Warner
Exon	Levin	Wellstone

So the amendment (No. 1123) was rejected.

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

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

UNANIMOUS-CONSENT AGREEMENTS

Mr. DOMENICI. Mr. President, I want to put several unanimous-consent requests which will finish out the day and set the amendments in order for today and early morning.

I ask unanimous consent that all the time be yielded back on the Thurmond amendment and that the Senate proceed to a vote on that amendment without any intervening action or debate after the disposition of the Exon amendment.

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

Mr. DOMENICI. Mr. President, further, I ask unanimous consent that immediately following the disposition of the Thurmond amendment, Senator HARKIN be recognized to offer an amendment on which there be 15 minutes under the control of Senator HARKIN and 5 minutes under the control of Senator DOMENICI; that no amendments be in order to that amendment; and that following the conclusion of the time on that amendment, it be laid aside.

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

Mr. DOMENICI. Mr. President, I further ask unanimous consent that following the debate on the Harkin amendment, Senator FEINGOLD be recognized to offer an amendment on which there be 20 minutes under the control of Senator FEINGOLD, 20 minutes under Senator DOMENICI's control, 10 of which will belong to the Senator from Alaska, Senator MURKOWSKI; that no amendments be in order to the Feingold amendment; and that following the conclusion of time it be laid aside.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that the first vote on the Harkin amendment be limited to 20 minutes, followed by a 10-minute vote on the Feingold amendment, to occur Wednesday at a time to be determined by the two leaders.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that following the conclusion of the debate on the Feingold amendment this evening, Senator SNOWE be recognized to offer an amendment.

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

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The motion to waive the Budget Act for the consideration of the amendment by the Senator from Nebraska [Mr. EXON].

Mr. DOLE. Following that, there will be a vote on the amendment by the Senator from South Carolina [Mr. THURMOND] and the Senator from Arizona [Mr. MCCAIN]?

The PRESIDING OFFICER. The next vote would be a vote on the Thurmond amendment, debate on which is not yet concluded.

Mr. DOLE. As I understand, time has been yielded back.

The PRESIDING OFFICER. Time has been yielded back by consent.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I advise my colleagues, that will be the last vote today. We will continue to work on the measure until we are down to 4 hours remaining, but there will be no more votes.

Mr. HARKIN. Mr. President, is it still in order to reserve the right to object? We could not hear the unanimous-consent requests.

Mr. DOMENICI. It says ''on the amendment.'' It means up or down. We had agreed to that and that was in the unanimous-consent request.

VOTE ON MOTION TO WAIVE THE BUDGET ACT FOR CONSIDERATION OF AMENDMENT NO. 1124

The PRESIDING OFFICER. The question occurs on agreeing to the motion to waive the Budget Act for the consideration of amendment No. 1124, offered by the Senator from Nebraska [Mr. EXON]. The yeas and nays have been ordered. The clerk will call the roll.

The yeas and nays resulted—yeas 47, nays 53, as follows:

[Rollcall Vote No. 179 Leg.]

YEAS—47

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

NAYS—53

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

The PRESIDING OFFICER. The point of order is sustained and the amendment falls because it is not germane to the underlying resolution.

VOTE ON AMENDMENT NO. 1125

The PRESIDING OFFICER. The question is on agreeing to the Thurmond amendment, numbered 1125.

Mr. THURMOND. 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 clerk will call the roll.

The bill clerk called the roll.

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

The result was announced—yeas 40, nays 60, as follows:

[Rollcall Vote No. 180 Leg.]

YEAS—40

Abraham	Gramm	Murkowski
Ashcroft	Grams	Nickles
Bennett	Hatch	Nunn
Burns	Heflin	Santorum
Campbell	Helms	Shelby
Chafee	Hutchison	Smith
Coats	Inhofe	Snowe
Cochran	Kempthorne	Stevens
Cohen	Kyl	Thomas
Coverdell	Lieberman	Thompson
Craig	Lott	Thurmond
Dole	Mack	Warner
Faircloth	McCain	
Frist	McConnell	

NAYS—60

Akaka	Feingold	Leahy
Baucus	Feinstein	Levin
Biden	Ford	Lugar
Bingaman	Glenn	Mikulski
Bond	Gorton	Moseley-Braun
Boxer	Graham	Moynihan
Bradley	Grassley	Murray
Breaux	Gregg	Packwood
Brown	Harkin	Pell
Bryan	Hatfield	Pressler
Bumpers	Hollings	Pryor
Byrd	Inouye	Reid
Conrad	Jeffords	Robb
D'Amato	Johnston	Rockefeller
Daschle	Kassebaum	Roth
DeWine	Kennedy	Sarbanes
Dodd	Kerrey	Simon
Domenici	Kerry	Simpson
Dorgan	Kohl	Specter
Exon	Lautenberg	Wellstone

So the amendment (No. 1125) was rejected.

The PRESIDING OFFICER. Under the previous order of the Senate, the Senator from Iowa is recognized to offer an amendment. The time is divided, according to that agreement, 15 minutes for the Senator from Iowa and 5 minutes for the Senator from New Mexico.

CHANGE OF VOTE

Mr. MURKOWSKI. Mr. President, I wonder if the Senator from Iowa would yield for a unanimous-consent request in regard to a vote.

Mr. HARKIN. Yes.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MURKOWSKI. I thank the Chair.

Mr. President, on rollcall vote No. 178, I am embarrassed to say that I voted yes. It was my intention to vote no. I have been a proponent of the position of no. Therefore, I would ask unanimous consent that I be permitted to change my vote. This will in no way change the outcome of the vote.

The PRESIDING OFFICER. Is there objection to the request?

The Chair hears none, and it is so ordered.

Mr. MURKOWSKI. I thank the Chair. I apologize to my colleagues.

(The foregoing tally has been changed to reflect the above order.)

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. I thank the Chair. I understand I have 15 minutes, is that right?

AMENDMENT NO. 1126

(Purpose: To reduce unnecessary military spending, holding military spending to a freeze in overall spending over 7 years protecting readiness and modernization activities and shifting the savings to education and job training, restoring a portion of the reductions proposed for those programs in the resolution)

Mr. HARKIN. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself and Mr. BUMPERS, proposes an amendment numbered 1126.

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

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

The amendment is as follows:

On page 12, line 3, decrease the amount by $4,800,000,000.

On page 12, line 4, decrease the amount by $1,000,000,000.

On page 12, line 10, decrease the amount by $10,000,000,000.

On page 12, line 11, decrease the amount by $3,400,000,000.

On page 12, line 17, decrease the amount by $10,000,000,000.

On page 12, line 18, decrease the amount by $6,200,000,000.

On page 12, line 24, decrease the amount by $10,000,000,000.

On page 12, line 25, decrease the amount by $6,200,000,000.

On page 32, line 11, increase the amount by $4,800,000,000.

On page 32, line 12, increase the amount by $1,000,000,000.

On page 32, line 19, increase the amount by $10,000,000,000.

On page 32, line 20, increase the amount by $3,400,000,000.

On page 33, line 2, increase the amount by $10,000,000,000.

On page 33, line 3, increase the amount by $6,200,000,000.

On page 33, line 10, increase the amount by $10,000,000,000.

On page 33, line 11, increase the amount by $6,200,000,000.

On page 66, line 10, decrease the amount by $4,800,000,000.

On page 66, line 11, decrease the amount by $1,000,000,000.

On page 66, line 13, increase the amount by $4,800,000,000.

On page 66, line 14, increase the amount by $1,000,000,000.

On page 66, line 17, decrease the amount by $10,000,000,000.

On page 66, line 18, decrease the amount by $3,400,000,000.

On page 66, line 20, increase the amount by $10,000,000,000.

On page 66, line 21, increase the amount by $3,400,000,000.

On page 66, line 24, decrease the amount by $10,000,000,000.

On page 66, line 25, decrease the amount by $6,200,000,000.

On page 67, line 2, increase the amount by $10,000,000,000.

On page 67, line 3, increase the amount by $6,200,000,000.

On page 67, line 6, decrease the amount by $10,000,000,000.

On page 67, line 7, decrease the amount by $6,200,000,000.

On page 67, line 9, increase the amount by $10,000,000,000.

On page 67, line 10, increase the amount by $6,200,000,000.

Mr. HARKIN. Mr. President, we have before us a proposed budget that cuts over $1 trillion in Federal spending. It cuts health, education, training, veterans, and virtually everything else but for one item. The Pentagon is increased by $34.5 billion over what a hard freeze would be over the 7 years. Simply put, this budget jeopardizes our long-term national security by failing to invest in education, training, and infrastructure in order to preserve a bloated Pentagon budget and its cold war relics.

Mr. President, the cold war is over, I would like to inform everyone. And guess what? We won.

First let me explain exactly what my amendment does. My amendment will provide over the next 7 years for a hard freeze for Pentagon spending.

Now, for the next 3 years, my amendment would track exactly what the Budget Committee does—exactly. For 1996, 1997, and 1998, my amendment would provide the same funding for the Pentagon as does the Republicans' budget proposal.

Beginning then in 1999, 2000, 2001, and 2002, I increase spending for defense but not as much as the Budget Committee.

For example, in 1999, the Budget Committee provides $266.2 billion for defense. My amendment would provide $261.4, less than $5 billion less. So I track it, but what happens is over the 7 years my amendment freezes it—over the 7 years—and thus saves $34.8 billion.

My amendment would take that $34.8 billion and put it into function 500, which is education and job training. Education and job training is way below a hard freeze in the committee bill. The Defense Department, the Pentagon is above a hard freeze. I am bringing the Pentagon down to a hard freeze, taking that money, putting it into education and job training to bring it up to just under a hard freeze. It still would be below a hard freeze level of funding for education and job training, but at least it brings it up close to a hard freeze.

But I wanted to make the point very clear, that for the first 3 years my amendment spends the same thing on defense as does the Budget Committee. And so those who would like to just kind of freeze everything, well, this is a freeze amendment. It freezes Pentagon spending for the next 7 years.

Mr. President, I keep picking up these articles. I know Senator BYRD earlier talked about the articles that were in the Washington Post: Billions go astray often without a trace in the Defense Department is the headline in this recent story on Pentagon waste. It says the Department has spent $15 billion it cannot account for over the past decade. And Pentagon purchasing agents appear to have overdrawn Government checking accounts by at least $7 billion in payment for goods and services with little or no accountability.

You want to talk about waste and inefficiency, start reading some of these articles about waste and inefficiency in the Defense Department. It boggles the mind and it picks taxpayers' pockets.

I also want to point to a scandal that happened last December in the Air Force, and to my knowledge it still has not been resolved—a scandal. Gen. Joseph W. Ashy was in Italy. He wanted to get to the U.S. Space Command in Denver, CO. He could have flown commercially, could have gotten on a United Airlines flight. No, he got an Air Force C–141 transport jet that flew empty from here to Italy, picked him up and flew him to Colorado at an estimated cost of $120,000.

Did he fly alone? No, he took his cat with him. I guess he paid $85 for his cat. But he listed on the manifest that his wife was going to be with him, that she was traveling with him. His wife was already in Colorado, and it turned out that there was a young Air Force aide, a 21-year-old senior airman Christa Hart, a young woman traveling with him, and she was not even listed on the manifest but his wife was.

You wonder why she was on that flight with him, at a cost of $120,000 to fly this general. And the Air Force tried covering it up, and as far as I know they still have not explained it except to say that no regulations were broken.

Well, I might just say that one-way, first-class fare from Rome to Colorado Springs is $1,617. But, no, General Ashy had to fly himself and his young female aide and his cat in a C–141 for $120,000, and they still have not fessed up to it. And I will bet you General Ashy will not even get his wrist slapped for wasting taxpayers' dollars like that.

So there is a lot of waste in that Pentagon that we can clamp down on, and I think if they have a hard freeze over 7 years, then maybe they will start doing a little bit better accounting and they will start knocking out these luxury flights for generals and their cats and their 21-year-old female aides.

The real story is here in the chart I have here as to why we do not need to continue to increase Pentagon spending. This chart illustrates how much the United States is spending this year on the military. It says $260 billion. Actually, it is $261 billion. Our NATO and other allies will spend $250.9 billion. So

total U.S., NATO, and our allies spending, $510 billion this year, fiscal year 1995 on defense.

Well, what is the rest of the world doing? How about our potential adversaries? Here is Russia, $12 billion this year.

In fact, last year the sum in Russia was $79 billion. This year, Russia cut military spending from $79 billion to $12 billion this year.

Mr. President, I will ask consent to have an article printed in the RECORD about the Russian budget. The military defense officials in Russia have called it a disaster, but the Parliament did not listen to them. They went ahead and cut it to $12 billion.

I ask unanimous consent to have that printed in the RECORD.

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

RUSSIAN MOD LABELS BUDGET A CATASTROPHE

(By Anton Zhigulsky)

MOSCOW.—Members of Russia's parliament, failing to heed the military's call for increased funding, set defense spending for 1995 at 46.5 trillion rubles ($12 billion).

Defense Ministry officials have lobbied the government during the past several months for a budget more than twice as large—up to 110 trillion rubles ($29 billion).

Defense Minister Pavel Grachev called the budget ''a total catastrophe for the Army.'' The spending plan as passed put the future of the armed forces ''under threat,'' he said after the March 15 vote. ''It is a sin to keep an army in poverty and half-starved.''

On March 15 parliament's lower house, the Duma, passed the fourth and final draft of the government budget, which will take effect April 1. That budget saddles Russia with a deficit of about 73 trillion rubles ($18 billion), or 8 percent of gross national product.

The argument over the Russian defense budget has been particularly contentious, especially since the costly invasion of the separatist region of Chechnya in December.

Grachev has argued that a defense spending level of 46 trillion rubles will affect readiness, equipment maintenance and troop morale, all of which have been in a downward spiral since the collapse of the Soviet Union.

In a front-page appeal to parliament in the Defense Ministry daily Krasnaya Zvezda on March 10, the ministry warned that ''parliament has one last chance to prove that the armed forces is not a stepchild.''

In the past several weeks Krasnaya Zvezda has warned that a demoralized armed forces, without the resources to train or even house troops, may not be politically reliable if the government is forced to quash a coup as it did in October 1993.

On March 15, Russian soldiers suffered an additional setback when the Duma voted to spend 1 trillion rubles ($250 million) to purchase weapons from the ailing defense industry.

The money had been earmarked earlier for the Army's day-to-day needs, such as housing and provisions, but deputies decided to aid the cash-strapped defense factories instead.

Finance Minister Vladimir Panskov acknowledged that the 1995 military budget is ''tough and even cruel,'' but said the state could provide no more.

''There are matters of principle on which there can be no concessions,'' he told the deputies.

Krasnaya Zvezda blasted the vote, stating the following day that it would be easier to disband the Army completely than to subject it to the budget.

''This Duma has never understood the problems of the Army. It is absolutely indifferent to the defense capacity of Russia,'' the newspaper said.

The Russian Defense Ministry also is under fire for its handling of the crisis in Chechnya, and President Boris Yeltsin has promised to pursue long-overdue changes in the Army, which suffered humiliating losses to partisan fighters in Chechnya.

''Chechnya has convinced us once again that we are too late in conducting military reform. We must not delay any more. The Army is starting to disintegrate,'' Yeltsin said Feb. 23.

But military officials, complaining of a lack of money, said reform can be carried out only if it is properly funded. ''Without funding, there will be no reform,'' Grachev said in the parliament March 16.

According to Pavel Felgenhauer, a military analyst with the daily newspaper Sevodnya, Russia's armed forces must be reorganized quickly to avoid more combat deaths in the war-torn northern Caucasus region and in Tadzhikistan, where Russian soldiers are bolstering the government in a civil war.

''The situation in the Army is beginning to get out of control. The new budget doesn't allow Russia to keep the Army as it is. A combat-ready professional army will have to be started urgently, within 12 to 18 months,'' Felgenhauer said.

Mr. HARKIN. I also ask unanimous consent to have printed in the RECORD a table that indicates what my amendment would do in terms of budget authority and budget outlays.

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

	Fiscal year—								
	1995	1996	1997	1998	1999	2000	2001	2002	Total
Budget authority:									
Committee	261.4	257.7	253.4	259.6	266.2	276.0	275.9	275.9	1864.6
Harkin	261.4	257.7	253.4	259.6	261.4	266.0	265.9	265.9	1829.8
Savings	0	0	0	0	4.8	10.0	10.0	10.0	34.8
Budget outlays:									
Committee	269.6	261.1	257.0	254.5	259.6	267.8	267.7	269.2	1836.9
Harkin	269.6	261.1	257.0	254.5	258.6	264.4	261.1	263.0	1820.1
Savings	0	0	0	0	1.0	3.4	6.2	6.2	16.8

Mr. HARKIN. Mr. President, what this chart says is that the United States and its allies are spending almost 10 times more than all of our potential adversaries put together. Here is Russia at $12 billion; China, 27.4 billion; North Korea, $5.3 billion; Iraq, $2.6 billion; Iran, $2.3 billion. Libya, Syria, and Cuba spend even less.

You total up all of our potential adversaries—and I put Russia in there even though Russia is not a potential adversary at this time; and we have diplomatic relations with China—you add them all up and it comes to $54.37 billion. That is in the whole world what our adversaries are spending. We are spending $510 billion total; for the United States, $260 billion.

If you just look at the United States, we are spending almost five times more than all of our adversaries put together. And yet the budget before us says it is not enough. We are going to increase it in the next 7 years, while we cut education, cut job training, cut Head Start, cut Pell grants. That simply defies common sense.

We had this other chart yesterday when we talked about education. Look at what is happening. Here is the line that shows the cost of going to State universities per year, rising by the year 2002 to about $8,000 a year. Here is line for Pell grants that student rely on, going from $2,590 down to $1,500, almost a 40 percent cut in Pell grants over the same year—a 40 percent cut in Pell grants. That is what we are being asked to do. But, at the same time, we are being asked to increase military spending.

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

The PRESIDING OFFICER. The Senator has 5 minutes remaining of his time.

Mr. HARKIN. Mr. President, I ask to be notified when I have 3 minutes remaining.

Mr. President, I am sure you are going to hear from the opponents of this modest amendment Senator BUMPERS and I are offering the argument, ''Well, if we freeze it, it is going to cut into readiness, our ability to respond.''

That is simply not true. This amendment would fully protect readiness and modernization. Believe me, there are places we can cut that have nothing to do with readiness or modernization. We can cut out some of this high-flying stuff that General Ashy was doing.

Mr. President, I ask unanimous consent to have printed in the RECORD an article regarding General Ashy and his $120,000 flight last December.

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

[From the Washington Post, Dec. 9, 1994]

AIR FARE, ROME TO COLORADO: $120,000; GENERAL'S COSTLY FLIGHT RUNS INTO FLAK ON HILL (BUT THE CAT PAID)

(By John F. Harris)

A commercial flight was leaving the next day, but that was not soon enough for Air Force Gen. Joseph W. Ashy.

Instead, the new leader of the U.S. Space Command traveled on an Air Force C–141 transport jet, which flew him, one aide and the Ashy family cat from Italy to Colorado at an estimated cost of at least $120,000.

Ashy's Sept. 9 flight on a 200-passenger plane specially equipped with a luxury cabin and carrying a steward on its crew of 13 was more convenient at the time, but it is causing big trouble now.

After a complaint from Capitol Hill, Defense Department Acting Inspector General Derek J. Vander Schaaf agreed this week to investigate the propriety of the flight and whether Air Force public affairs personnel were truthful in answering reporters' inquiries.

Ashy, who followed Pentagon regulations by paying $85 fare for the cat, declined to comment.

A spokesman at the Space Command in Colorado Springs, Lt. Col. Dennis Gauci, said Ashy and his aide considered flying a commercial flight out of Rome on Sept. 10, but worried the schedule would not give him enough time in Colorado the next day to take an eight-hour training course on procedures for alerting the president in event of an air attack.

He was sworn in as head of the Space Command Sept. 13.

Ashy, 54, a 32-year Air Force veteran and fighter pilot, could not leave earlier, the Air Force said, because he was still commander of the 16th Air Force in Italy, a job that included directing air missions over Bosnia.

Air Force officials in Washington acknowledge Ashy's flight looks bad, but said no regulations were broken. Ashy, they said, was on an especially tight schedule to get to his new posting, and asked an aide to see if any government planes were heading his way.

Subordinates went overboard in accommodating his request, according to an Air Force official at the Pentagon familiar with the case, and an empty C–141 was ordered across the Atlantic and back again to ferry Ashy to his new home.

United Airlines is quoting a one-way, first-class fare from Rome to Colorado Springs of $1,617.

The C–141, which costs about $3,400 an hour to operate, was dispatched from McGuire Air Force Base in New Jersey to Italy and on to Colorado.

Total flight time was 31 hours, Air Force officials said, and two mid-air refuelings were required that added to the cost.

The price tag gave Sen. Charles E. Grassley (R-Iowa) a case of sticker shock, and he asked Vander Schaaf to investigate.

In a letter to the inspector general, Grassley said he learned about the incident from Newsweek military affairs columnist David Hackworth, a highly decorated retired Army colonel who is planning a story about the flight in next week's issue of the magazine.

Hackworth is "disturbed by the arrogance that General Ashy's behavior appears to represent," and believes "Air Force officials have 'repeatedly lied' to him" and an ABC News producer who collaborated with him in investigating the episode, Grassley wrote.

The inspector general's office will "determine whether the travel was proper and reasonable, and address a number of related matters, the most important of which appears to be whether Air Force personnel were truthful in answering press inquiries about the flight," Vander Schaaf said in a memorandum Tuesday to Defense Secretary William J. Perry.

Ashy had no idea until he got on the flight, according to Gauci, that a C–141 had been dispatched especially for him.

When an aide contacted the Air Mobility Command to ask about transport, Gauci said, Ashy assumed he would be on a flight that was already traveling from Europe to the United States.

"General Ashy didn't specifically request that plane," Gauci said, "and he had no idea where that plane originated."

The spokesman said Ashy also did not know the C–141, ordinarily used for carrying troops and equipment, would be equipped with a special "comfort pallet," which includes such amenities as first-class seating, a kitchen and a sleeping area.

The plane had recently been carrying U.S. Ambassador to the United Nations Madeleine K. Albright on a flight to Russia, the Air Force reported.

Ashy's flight might not have been publicized, except for a coincidence before taking off in Naples. Two retired military officers and their wives, who are allowed to travel on military planes on a space-available basis, asked the crew if they could tag along.

Even though the flight was flying nearly empty, Air Force officials said the crew told them no, because they believed Peterson Air Force Base in Colorado was not an allowed port of entry into the United States for travelers not on Air Force business. An Air Force official in Washington said the crew was mistaken, and that accommodations for the foursome could have been made.

Vowing revenge, the spurned retirees took their grievances to Hackworth, who began investigating. ABC's "20–20" is also planning a piece on the incident for tonight's broadcast.

Air Force officials said the crew made other mistakes. The manifest on the plane said Ashy's wife was with him on the flight. In fact, the Air Force said, Ashy's wife was already in Colorado, and the woman traveling with him was his 21-year-old aide, Senior Airman Christa Hart.

"Why did a young female enlisted aide . . . accompany General Ashy on this flight?" Grassley asked in his letter. "Why is Hart's name not listed on the flight manifest? Was Hart performing normal official duties, or was there some other reason for her presence?"

Hart was on the flight because she is joining Ashy in his new assignment, an Air Force official said. She serves as a valet to Ashy and performs some protocol functions.

Mr. HARKIN. We can cut that out. We can start having better accounting procedures. We can reduce the Milstar, for example, this relic that is no longer needed. If we cancel that, we save $3 billion over 7 years.

Stopping production of the Trident D–5 missiles after 1996. After 1996, we will have enough to equip all of our nuclear subs at START II levels. So why buy more D–5's? This would save $3.7 billion over 7 years. And we could, for example, reinstate the fees on commercial arms sales to pay the U.S. Government for R&D costs, that again gives us about $500 million over this period of time.

So, Mr. President, there are a lot of things we can do. We do not have to cut into readiness or modernization. I would not want to cut into readiness or modernization. But there is a lot of waste and a lot of inefficiency in the Pentagon that can and should be eliminated.

Quite frankly, when you look at the defense budget, what it is now is a jobs program. That is what we are spending money in the Pentagon for. It is a jobs program. But I submit to you, Mr. President, there are more effective and efficient ways to invest in jobs programs than throwing it at the Pentagon.

The PRESIDING OFFICER. The Senator is advised that he has 3 minutes remaining on his time.

Mr. HARKIN. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator reserves the remainder of his time.

The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I yield myself 3 minutes of my time.

First of all, let me say to every Senator around, the argument that the U.S. Defense Department does not manage its business with perfection should come as no surprise. But should it surprise anyone that the Department of Education does not manage its business very well? Might that be a shock? I would assume there is as much waste and inefficiency in the Department of Education of the United States as there is in the Defense Department.

Mr. President, I would say that HUD has more waste than the Defense Department.

To talk about the fact that the Defense Department has made some mistakes is no argument at all to take $40 billion out of defense now on this budget resolution.

Actually, this amendment should be turned down. I am hoping it will be turned down by a large number, by a large vote. But I think there are some who will say "Well, let's just take it out of defense and put it on education."

Well, Mr. President, fellow Americans, the argument can be made on every single domestic need. Think of one: the National Institutes of Health. We are not able to fund them fully. A tremendous program. Take it out of defense. Defense is getting too much.

We could have an array of amendments here and, by the time we were through, saying, pay for all these things we need, guess what would happen, Mr. President? The United States of America would have no military left.

Now it seems to me that everybody knows we have put defense on a downward path over the last 8 years. This budget resolution still has to go to conference with the House. In this resolution, we have assumed the President's numbers. I am the first one to suggest I have not been very happy with the President's numbers. I did not vote on the last amendment to add some $80 or $90 billion in budget authority to defense.

But I am here to say we ought to leave it alone. It is probably about as low as it ought to get.

That does not mean that every American program on the other domestic side, from health to education, is fully funded either. There are many who would say defense is not fully funded either. The Chiefs of Staff of the United States military could tell us some things we ought to be doing that we are not doing.

Mr. President, when we need the defense of the United States, when we need those men and women, we are not going to be arguing about some general using an airplane that he ought not use. We are going to say, ''We hope they take care of that.''

But let us take care of the men and women and our needs. And we know what they are.

I only reserved 5 minutes on this amendment. I hope nobody assumes that I do not think it is a serious amendment. I do. And I hope no one gets the idea that all we have to do the rest of this debate is to bring amendments down here and offer to take money out of defense.

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

Mr. DOMENICI. I yield myself one additional minute.

After all, the point of it is that it is a big department of Government. It is the evidence of America's strength in the world. It ought to be big. It ought to be powerful. It ought to be strong.

We have an all-volunteer Army. Nobody compares with that. When people say we spend more than everyone, of course we do. We pay our men and women in the military. They are not drafted. They are paid good salaries and have a good retirement because we decided that is how we wanted keep a strong military. This will begin the demise of the military and everybody will think it is for a good purpose. It will actually have a very serious, bad effect on America's future.

I reserve whatever time I have.

The PRESIDING OFFICER. The Senator reserves 1 minute and 17 seconds.

The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, to hear the comments by my friend from New Mexico, you would think the amendment I am offering would totally gut the Department of Defense.

As I pointed out, my amendment keeps the same spending for the Department of Defense as the Budget Committee does over the next 3 years. That is my amendment. It continues the same spending. And then, for the next 4 years, it provides for just slightly less growth than what the Budget Committee has, slightly less growth.

I am not cutting defense spending. I am just growing it a little bit less than what the Budget Committee does in the out years.

Well, for example, as I said, for the next 3 years, spending under my amendment is the same as the Budget Committee. In 1999, the Budget Committee would spend $266.2 billion. I spend $261.4 billion. Over the total of the 7 years we would spend $34.8 billion less, bringing the Pentagon to a freeze level.

Do you know what the difference is, Mr. President? Do you know what the difference between my amendment and the Budget Committee is? Two percent.

You mean to tell me that someone can stand here with a straight face and say, ''Over the next 7 years, the Department of Defense cannot contribute 2 percent?'' What a joke.

Then we hear people in the military, military officers, saying, ''Oh, we have to have more money.''

Here is what Defense Minister Pavel Grachev called the Russian budget. He said it is ''a catastrophe for the Army.''

Of course, military people are going to say that.

But back to my chart, back to my chart, Mr. President. The United States is spending $260 billion this year.

All of our adversaries combined only spend $54 billion—one-tenth of what we alone spend. Yes, we have to remain strong in the world. Yes, we have to pay our military people. Yes, we have to keep a strong presence around the globe. But at what expense? By wastefully throwing this kind of money at it?

I am sorry, it is simply ridiculous to think that our modest amendment would even cause a disturbance for the Pentagon. It will not hurt readiness or modernization one iota. It will not cut one paycheck from the military. Two percent? We are cutting education. We are cutting everything a lot more than 2 percent. My amendment is just 2 percent less than the committee's level for defense, a freeze, and we are told the Pentagon cannot even do that to help balance the budget.

We are asking for sacrifice from our senior citizens, sacrifice from our students to make them pay more for their college loans, sacrifice from our poor to give up the earned-income tax credit, but we cannot ask the Pentagon to live with a freeze at a time when our enemies are spending only one-fifth as much as us combined? Two percent less than the recommended increase. It is not even a cut. And yet some argue we cannot even ask them to do that.

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

Mr. HARKIN. I will close by saying 2 percent is not too much to ask to help balance the budget of the future.

Mr. LOTT. Mr. President, the world is not a utopia. There are dangers all over the world and there are growing questions as to whether we will be able to meet these challenges in the future.

Must we repeat history and not be ready when the next major threat occurs? The readiness of our military is slipping. We are not procuring the equipment we need to meet a growing and unpredictable threat. The morale of the men and women who serve in uniform is declining.

Mr. President, we are not even providing sufficient ammunition for proper training. We have already cut defense spending by over 35 percent. Must we be doomed to repeat history—again?

We need to take a look at where we are, and what we have done to our defense spending levels over the last 11 years. Since 1985:

Ship purchases are down 80 percent; aircraft purchases are down 86 percent; tank purchases have dropped to zero—a 100 percent reduction; and strategic missile purchases have dropped 95 percent.

In 1993, the President proposed a 5-year defense spending plan which added $126.9 billion in cuts to defense spending—over and above the reductions previously made by President Bush. Now we need to understand, the cold war ended during the Bush Administration—and significant realignment of defense priorities occurred immediately following the fall of the Berlin Wall.

Prior to 1993, defense spending was already cut—and cut deeply. Before the Members vote on the amendment by the Senator from Iowa, it is important to know what was cut prior to 1993.

Military personnel were reduced by more than 350,000; overall defense spending declined by about 20 percent; our Navy dropped from 536 ships to 448 ships in the fleet; three aircraft carriers were eliminated from the fleet; eight Fighter Wings were cut from the Air Force; we slashed our strategic bomber fleet to 181 planes; and we terminated dozens of weapon systems.

All of this was cut from our defense forces prior to 1993.

The budget request this year, cuts defense spending even further. The procurement budget this year is at its lowest level in 50 years—and is $6 billion less this year, than last. Procurement spending under this budget is only 39 percent of the total defense budget.

Now, I completely agree that we should only spend what is necessary for our national security needs. The question raised by this amendment is: Do we need to spend more for defense—or less? In order to answer this important question, you need to review the facts.

Fact No. 1: The Defense Planning Guidance calls for a Navy fleet of 346 ships in order to meet our national security requirements.

But this budget does not provide funding sufficient to achieve and maintain a fleet level of 346 ships. Only by not retiring older, less capable ships are we able to even come close to the ship numbers we require.

Fact No. 2: The Defense Planning Guidance calls for 184 heavy bombers in order to meet our security requirements.

But this budget barely provides more than 55 percent of the required heavy bombers to meet our security requirements. The bomber plan is so bad, in fact, we will be forced—under this budget—to keep the B–52 in service until the year 2030. In 2030, the B–52 will be over 60 years of age.

Fact No. 3: Before the budget was submitted to the Congress, the Secretary of Defense, on November 15, 1994 reported that fully one-forth of our Army Divisions were far below peak preparedness.

But this budget does not aggressively increase funding to solve this problem until the year 2000 and after.

This century, America has failed to be prepared to protect her interests on three occasions. We failed to be ready in 1942 at Pearl Harbor, We failed to be prepared in Korea in the 1950's. Just over two decades later, we failed to be prepared to deal with the military challenges facing us in the deserts of Iran.

Failure to prepare leads to a certain outcome—preparation for failure. Loss of military capability does not announce itself—except by failure.

No Member of this body can predict when or where America will next be challenged. But just as the mighty Mississippi flows southward with lumbering power, on this you can be certain:

American will again be challenged.

America will again be forced to defend her interests.

The only question yet to be answered is—will we be ready to meet these future challenges? If you believe American will not be challenged again, you should vote for Senator HARKIN's amendment.

If you believe however, that preparation is essential for victory and vigilance is our strength—then you should oppose this amendment. I urge my colleagues to oppose this amendment.

Mr. President, I yield the floor.

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

Mr. DOMENICI. Mr. President, in 1996 dollars, the Department of Defense has been reduced from $402 to $246 billion. Now, is there anyone that would like the American military and American defense to be like the Soviet Union? Of course they do not pay anything. They hardly pay their military. Would we like to do that? Would we like to say we do not need any new technology or innovation, or do we want to remain the strongest Nation on Earth? We have cut defense enough. If there is more money needed for education, we ought to take it out of some other program, not out of the Defense Department and the men and women who serve us there.

I believe my time has expired. If not, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Mexico yields back the balance of his time. All time has expired on this amendment.

Under the previous order, the amendment will be laid aside at this moment.

Under the previous order, we will go to the amendment of the Senator from Wisconsin. On the amendment of the Senator from Wisconsin, Senator FEINGOLD has 20 minutes and the Senator from New Mexico has 20 minutes; 10 minutes of the time of the Senator from New Mexico is granted to the Senator from Alaska.

The Senator from Wisconsin is recognized.

AMENDMENT NO. 1127

(Purpose: To strike provisions providing for a tax cut)

Mr. FEINGOLD. Mr. President, on behalf of myself and the Senator from South Carolina, Senator HOLLINGS, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for himself, Mr. HOLLINGS, Mr. BYRD, Mr. NUNN, Mr. BUMPERS, Mr. KERREY, Mr. ROBB, Mr. DORGAN, Mr. SIMON, Mrs. MURRAY, and Ms. MOSELEY-BRAUN, proposes an amendment numbered 1127.

Mr. FEINGOLD. 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 beginning with line 8 through page 75, line 22.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, this amendment, in addition to being jointly offered by Senator HOLLINGS and myself, is also cosponsored by Senator BYRD, Senator NUNN, Senator BUMPERS, Senator KERREY, of Nebraska, Senator ROBB, Senator DORGAN, Senator SIMON, Senator MURRAY, and Senator MOSELEY-BRAUN.

Senator HOLLINGS will speak in a moment or two about this, but let me just say, first of all, this is really the moment when the Members of this body can convey to the American people whether they believe tax cuts are a priority or not. It is a clean vote.

We can ensure the focus of this budget resolution stays on deficit reduction and deficit reduction alone by adopting this amendment. Other amendments before us that have been rejected have suggested we use the $170 billion tax cut fund for restoring Medicare cuts or education, earned-income tax credit. I think those were all worthy priority choices. They are all more important than a tax cut at this point. Mr. President, none of those amendments were adopted, and we stand here with there still being the $170 billion kitty, or cookie jar, existing in the budget resolution that came out of the Budget Committee.

My amendment simply strikes the section of the resolution which establishes a special budget surplus account. The result will be that any additional savings that would have accrued to this account will instead simply go toward the purpose of deficit reduction. By striking the budget surplus allowance, any fiscal dividend that flowed to the Federal Treasury as a result of the deficit reduction contemplated in the resolution would reduce the amount the Government would otherwise have to borrow.

It would eliminate the indebtedness of this country to the tune of $170 billion. Eliminating this cookie jar also brings us that much closer to really balancing the Federal budget without using Social Security, and this point has to be stressed and stressed again. It is my understanding that even under this budget resolution, we will still be using $113 billion of Social Security funds to balance our books in fiscal year 2002. Mr. President, this is not a balanced budget by the year 2002 unless you raid the Social Security funds.

CBO estimates that in 2002, the so-called fiscal dividend might be $50 billion for that year by adopting this amendment. So instead of the $113 billion bite out of Social Security, we will reduce it by $50 billion.

This tax cut that is hidden in the budget resolution is the loose thread that threatens to unravel the budget, the potential tax cut funded from the so-called budget surplus allowance. This is the symbol of irresponsibility that remains in the budget resolution, and it is not just a little bit of money. It is three times the total that President Clinton proposed in terms of tax cuts earlier this year. He proposed about $60 billion. This is almost three times greater than that, Mr. President, and people did not think that was an insignificant amount either. It is a giant tax cut.

At best, the budget that passes this body and finally the one that is agreed upon by both Houses will be unpopular. It cannot help but be unpopular. Some feel that adding a tax cut will sugar coat the medicine and make it politically a little bit less risky to balance the budget. But it will not. In fact, it will do just the opposite. A tax cut will only undercut any work that will be accomplished by Congress.

First, it will make those tough cuts we do make suspect. Those whom we ask to sacrifice for the cause of deficit reduction will not be persuaded that their own sacrifice will not instead go to provide tax cuts to someone else, someone who may well be a lot wealthier than they are. The Senator from South Carolina and I think that is a formula for trouble. We simply cannot pass what may be a $1 trillion package of spending cuts, including massive cuts in Medicare, Medicaid and education and other programs, and then ask the Nation to support that package while promising tax cuts to everyone. It will not wash. Beyond that, the potential in this budget resolution for a tax cut is just too great of a temptation.

What this $170 billion fund does, Mr. President, is essentially lay out a series of low-calorie menus for a dieter, asking them to eat only celery, carrots, some cottage cheese, maybe a little water, but at the same time we put right next to them a big piece of banana cream pie. That is what this tax cut is. We are not going to put the Federal budget deficit on a diet by providing for a tax cut. Nor will we assure the Federal Reserve and the financial markets by claiming we can do both.

It is possible, the prospects of lower interest rates that might flow from really lowering the deficit will be lost, and if we do not act responsibly in this matter some will reject the claims we can have it all. By every measure I know, the Nation has expressed an overwhelming preference for deficit reduction over a tax cut. The mail and phone calls I have received from Wisconsin since November on this have been absolutely clear, because the people of the United States know what is at stake. They know there is no free lunch here. We can reduce the deficit and help ensure their children and grandchildren will have a Government that is financially sound or we can give a nice big tax break now and stick future generations with the tab. By significant majorities, people want the former. They want us to start paying off the bills that have been run up, and they want us to do it now. This is not a partisan issue. For my own part, I have opposed the tax cut plans of both parties because I believe it is the fiscally responsible thing to do.

Mr. President, I hope that both sides come together in a bipartisan fashion. I have heard Members of both parties make absolutely unequivocal statements on the floor that they do not believe tax cuts can be a priority at this time. This is an opportunity to come together and say we can have a balanced budget by the year 2002 but only if we resist the temptation to go forward with a tax cut we all would like to vote for but cannot afford.

With that, Mr. President, I yield 5 minutes to the distinguished Senator from South Carolina.

Mr. HOLLINGS. I thank my colleague.

Mr. President, this is the same amendment that I presented in the Budget Committee which was defeated by a 12 to 10 vote. At the markup in the Budget Committee markup, Democrats were characterized as wanting to take the surplus, and spend it, whether for Medicare, education or whatever; Republicans were criticized for taking the surplus to give tax cuts.

The truth of the matter is that there will be no $170 billion surplus. But if part of it does materialize, it ought to go to reducing the deficit. That was the amendment I offered in committee, and that is the amendment that should today be adopted by the Senate if we are really sincere. But rather than have any light shed on the subject, we have been bombarded by irresponsible reporting on the budget in the last several weeks. Specifically, I refer to Time magazine's cover which said, ''This time it's serious. Budget resolution . . . for the first time in decades, Congress is committed to balancing the budget.'' Absolutely false. Turn to page 7 in the budget resolution itself. What word appears? ''Deficit'' by the year 2002. It does not appear ''balanced.''

On page 7, line 21, for fiscal year 2002 a deficit of $113.500 billion, or, more accurately, on page 9, you can see how much the debt actually increases by the year 2002 over just 1 year—2001. It is $177.7 billion. That is the real deficit. We are all rhetoric and no reality. Republicans are already giving themselves credit and claiming to have done a wonderful thing which to some on the other side justifies a tax cut. But Mr. President, the American people know what is going to happen. Under this proposal, the tax cuts in stone and the spending cuts are going to slip by the board.

Specifically, on this idea of committing to balancing the budget for the first time in decades, I submitted when I was chairman of the Budget Committee—and again in 1985. Everyone remembers Gramm–Rudman-Hollings. That was a balanced budget—not in 7 but in 5 years. In 1991, we were treated to the budget summit. I remember at that time that members were slapping each other on the back and congratulating themselves on really getting the budget under control.

I ask unanimous consent that the 1991 budget resolution deficit surplus figures appearing on page 21 of the budget report be printed in the RECORD at this particular time.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

CONFERENCE AGREEMENT TOTAL BUDGET

[In billions of dollars]

	1991	1992	1993	1994	1995
Budget authority	1,485.6	1,562.6	1,582.4	1,593.4	1,668.4
Outlays	1,236.9	1,269.3	1,305.0	1,324.8	1,355.5
Revenues	1,172.9	1,260.8	1,349.8	1,433.3	1,511.7
Deficit (−) / surplus (+)	−64.0	−8.5	44.8	108.5	158.2

Mr. HOLLINGS. So, Mr. President, yes, they had a deficit for 1991 and 1992. But at that time, their estimates projected a surplus in 1995 of $156.2 billion. The reality was much different. Instead of $156.2 billion surplus, we have a $317 billion deficit—a swing of some $474 billion off in the 3 or 4 years.

There is no education in the second kick of a mule. We have been through this gamesmanship. Let us cut out the nonsense and get serious here and report accurately that we are not balancing the budget. You cannot do it without a balanced approach of spending cuts and tax increases.

If there is any surplus, heavens above, let us allocate it to the deficit, because by 2002, we will have a $6.6 trillion debt with interest costs growing at the rate of almost $500 billion a year. That is, one-third of the budget is automatically going to interest costs, just the carrying charges, not to reduce the debt but just to open up the doors early every morning up here in Washington in the Government.

So we cannot engage in this nonsense and gamesmanship. We have to get real.

The PRESIDING OFFICER. The time allocated to the Senator has expired.

Eight minutes remain of the Senator from Wisconsin's time.

Mr. FEINGOLD. Mr. President, if a Senator on the other side wishes to speak, we can go forward.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MURKOWSKI. Mr. President, let me commend my good friend from Wisconsin, Senator FEINGOLD, for offering this amendment. I certainly support the idea that we can do more in deficit reduction and that a tax cut is ill-advised. However, I must reluctantly oppose the pending amendment.

Mr. President, the Senate Budget Committee, I think we agree, has performed a very remarkable job in putting this budget resolution together. Senator DOMENICI and the staff of the majority and the staff of the minority have worked in good faith, and I think they have fulfilled the commitment that everyone of us in this body has made when he or she voted for the balanced budget amendment earlier this year.

We have demonstrated that we can balance the budget and put our Nation's fiscal house on the road to solvency.

Now, in addition to the savings that will occur under this budget resolution, the Congressional Budget Office has projected that a credible reduction in the deficit by the year 2002 would produce a fiscal dividend for the Federal treasury. We are all in agreement on that. CBO estimates that interest rates would be 1 to 2 percent lower, and real GNP would be nearly 1 percent higher by the year 2002 if we achieve a balanced budget.

Now, because of these two factors, CBO estimates that we would reap a fiscal dividend of some $170 billion over a 7-year period, and as much as a $356 billion dividend over 10 years.

The issue that has divided many Members on both sides of the aisle, and is the subject of this debate, is what should we do with this financial windfall if indeed there is one? During the debate we have been confronted with two specific choices. One, using the dividend to increase Federal spending, or, two, using the dividend to provide

tax cuts. So far, we have not been able to reach an accord on either proposal.

The amendment being offered by my friend from Wisconsin would use the fiscal dividend to further reduce the deficit and, as a consequence of that—and this is the discomfort I have—it would absolutely preclude any possibility of a tax cut for this year.

I really believe that this is the wrong time for the Senate to completely close off the tax reduction option—I emphasize option—at this time. Despite what many Members on the other side have said, this budget resolution—and I emphasize this—does not mandate a tax cut. In fact, there is no specific tax cut in this plan. What this budget resolution says is that if all of the committees in Congress adopt reconciliation legislation that produces a balanced budget in the year 2002 and if—I emphasize ''if''—that reconciliation legislation makes it through a conference committee—and that is a big ''if''—and then is signed into law by the President, then and only then may Congress consider reducing taxes.

The CBO will have to certify that the reconciliation legislation does, in fact, produce a balanced budget. That is, CBO must certify that the budget is balanced in the year 2002. CBO will have to provide an estimate of how much additional savings will be achieved through lower interest rates and increased economic growth. CBO may determine that the savings are as projected, $170 billion; on the other hand, they may be lower or higher.

Once CBO has provided that savings estimate, only then can Congress consider cutting taxes. Obviously, we do not necessarily know what interest rates might be.

In any event, in the Senate, the decision whether to cut taxes is going to be first made by one committee. That is the Finance Committee, and that is a committee that I serve on. As a consequence, in the Finance Committee, I intend to make every effort to convince my colleagues on the committee that the CBO economic dividend should be used for further deficit reduction rather than tax cuts.

Mr. President, if this amendment by my good friend from Wisconsin is adopted, and if we completely foreclose the future option of reducing taxes, this Senator, the Senator from Alaska, is concerned that this balanced budget resolution may not receive a sufficient number of votes to pass this body.

I believe it would be far worse for our Nation's economic health if we fail at this effort to bring the deficit to zero than it would be if we merely retained the longer-term option of reducing taxes. It is for that reason, Mr. President, that I must reluctantly oppose the amendment of the Senator from Wisconsin.

Mr. President, how much time is remaining on this side?

The PRESIDING OFFICER. The Senator retains 3 minutes 35 seconds of his time; Senator DOMENICI of New Mexico has 10 minutes of his time.

Mr. MURKOWSKI. I yield the balance of my time to the Senator from New Mexico.

Mr. DOMENICI. How much time does the other side have?

The PRESIDING OFFICER. The Senator from Wisconsin has 8 minutes 1 second.

Mr. DOMENICI. Mr. President, I yield myself about 3 or 4 minutes and then will have to absent myself from the floor, and I will be back. Perhaps the other side can use part of their time.

Mr. President, the budget that we crafted that is currently before the U.S. Senate, I believe, is a fair way to handle the American people and to say to them, ''Once you get a balanced budget, for all the sacrifice that goes into that, there is some positive to come out of it.''

We all understand that when we get a balanced budget and we no longer are borrowing money, when those out there that set interest rates based upon money supply see that America is for real, interest rates come down. There is no question.

Americans should not think we are going through this event in our history, one of the most significant in modern times, of putting our fiscal house in order, deciding that we finally want to pay our bills ourselves as adults instead of having our children and grandchildren pay them—there ought to be a bonus for that. We ought to get something out of that.

Incidentally, in this case, the major economists that look at fiscal policy of this Nation—perhaps they are just startled by the fact that we are finally going to live within our means and be rational and talk about what we can afford and what we cannot afford—they say there will be an economic bonus, an economic dividend. There will be a change sufficiently large in interest rates that when we get to balance, we get an economic dividend of somewhere between $150 to $200 billion if it is done in the manner prescribed in this budget resolution.

So what did we say? We said simply, we are not going to have tax cuts until the event is completed—the balancing of the budget. So we say, when all of these laws are changed by the Congress, that is finished, then we can ask the CBO, the real number estimators for our land, are we there? Have we reached that point, that event? Is it real? When they say, ''Yes,'' they will then say there is an economic dividend. We will say then and only then is that released to the Finance Committee of our U.S. Senate to be used for tax cuts.

Now, Mr. President, there are many people in this body and many American people who think we ought to have a tax cut for the American people. Especially one that focuses in on the American family.

Frankly, I agree with that. I said my first priority as the chairman of the Budget Committee would be to get a balanced budget. I believe we got one. I believe that this is historic, and if carried out, the economy will get better, interest rates will come down, and I believe we have a brighter future if we stay there for about 10 years, in balance, paying bills, reducing the debt, instead of borrowing more and more every year.

Now, I think the Senator from New Mexico thinks at that point in time when we finish that work, we ought to give the American people at least an opportunity to get a tax cut, to get some relief, especially for families. That is what this budget resolution does.

Now, frankly, there are some who would like to spend that dividend. We have heard from them. I do not know that there will be any more opportunities on the Senate floor to spend that dividend again or to use it differently. We have been through that.

Now we have reached the point in time where those who are not for this budget resolution—and I assume the Senator who offers this amendment is not for this budget resolution. Perhaps that is a false assumption. If it is, he might tell the American people he will vote for this budget resolution. That would be interesting. I surmise he will not say that. If he does, I would say, ''Wonderful.''

From that side of the aisle there will be a huge number of votes saying after we get there, we want to say what to do with it, and we do not want to give the American people a tax cut even after the balanced budget when the economic dividend is available and we are still in balance.

I do not believe that amendment ought to pass. I do not believe the motion to strike that part of the budget should pass. That is why I am speaking tonight. I have spoken enough, perhaps, today and I am not sure I will speak much more. Maybe another 3 or 4 minutes before this amendment is finished.

Essentially, while I compliment the Senator who offered the amendment, he obviously is really interested in fiscal prudence, in making sure that we use common sense, as he says. I believe the common sense was all exercised before he ever got to the floor, before this amendment ever arrived, when Republican Senators decided to balance the budget. We hope when we are finished that some Democrat Senators will join Republicans.

That event was completed. Now we come to the floor and say, ''No dividends to America. Just strike it out of this budget resolution.''

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

The PRESIDING OFFICER (Mr. THOMPSON). The Senator has a little over 7 minutes remaining on his time. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. I yield 3 minutes to the Senator from Virginia.

Mr. ROBB. Thank you, Mr. President. I thank the Senator from Wisconsin.

While the distinguished Senator from New Mexico is still on the floor, let me tell him I fall into the latter category of one who is thinking if we do not do any more damage, that I may be one, and there are several on this side of the aisle, I might inform the Senator, who are thinking about voting for the budget that emerges —not because we think it is the perfect vehicle.

Indeed, tomorrow, some Members will have an alternative, hopefully, to that particular vehicle.

I want to compliment the Senator from New Mexico. I have known him for about 15 years. I have respected his willingness to make tough, principled decisions in attempting to bring some sense of fiscal responsibility to an otherwise undisciplined Federal Government over a long period of time. I said on this floor the other day, that I thought he deserved enormous credit for giving us a target, something that was truly important.

I support the amendment of my friend, the distinguished Senator from Wisconsin, because I believe we ought to make it clear that deficit reduction is the most important objective we are attempting to achieve at this particular time. We are not truly balancing the budget even if we stick to the numbers we are dealing with, because we continue to mask the total budget in the Social Security surplus. It will be about $113 billion out of true balance, but it is exactly the same kind of obfuscation we have been using for years and I am certainly willing to give all the credit that is due for moving in that direction. But in this particular case, if we are serious about deficit reduction, I think the only message we can leave at this point is we are prepared to make some tough choices.

Several on this side are willing to make those tough choices with our colleagues on the other side of the aisle. One of the most difficult votes for me was one just two votes ago when I had to vote ultimately against a very substantial increase in defense spending. Not because I do not think we need it, because if we are serious about fighting two major regional conflicts and winning in the years ahead we are going to have to put more money into the defense budget, even more than the President has added back right now. I accept that responsibility and will continue to work on it. But I thought it was a discordant message with respect to deficit reduction.

That is why I am prepared, with several colleagues, I believe, to support the ultimate product of this debate. I hope we will find ways to amend that particular end product so we can have something that has the kind of balance that many of us want to achieve. But I think the most important thing we can do is keep our eye ultimately fixed on the target, which is to bring it into what is balance using the $113 billion that will be available from the Social Security surplus.

With that I yield whatever time I have remaining and I thank the Senator from Wisconsin for offering this particular amendment.

The PRESIDING OFFICER. Who yields time? The Senator from Wisconsin.

Mr. FEINGOLD. First of all let me thank the Senator from Virginia for his tremendous support on this issue all along.

Now I would like to yield to the Senator from Illinois, who has also been as solid as can be in trying to impose these tax cuts.

Mr. SIMON. Mr. President, I want to commend Senator FEINGOLD who, from day one, when both parties were talking about tax cuts, said, ''This does not make sense. Our priority has to be to get this budget balanced.''

As I have said half a dozen times on the floor, and I said it in the Budget Committee, I commend Senator DOMENICI for moving toward a balanced budget. I disagree with how we get there. But the question is right now on a tax cut. The next best thing to passing this amendment is to do what Senator MURKOWSKI said on the floor just a few minutes ago. He said, as a member of the Finance Committee he is not going to vote for a tax cut. And I commend him for that statement.

When my friend from New Mexico says there ought to be a bonus, we ought to get something out of it, I think the bonus is to have this budget in balance to get our fiscal house in order. When he says we ought to get something out of it—I know he has more children, and more grandchildren I believe, than I do. If my three grandchildren can have a better future, that is what we ought to be interested in. I think, frankly, passage of the Feingold amendment moves us in that direction.

I know the Senator from New Mexico well enough to know he will not be heartbroken if the amendment of the Senator from Wisconsin is agreed to. I hope it will be agreed to. I am certainly going to vote for it.

The PRESIDING OFFICER. Who yields time? The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I just take 30 seconds and say to my good friend, Senator SIMON, I think you know a lot. But you do not know whether I will be heartbroken or not. That is pure speculation. I spoke rather vigorously against it. All my instincts and all my abilities are to speak against it. I have done the very best I can.

You draw your conclusion. I draw my own.

Mr. SIMON. All right.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I yield 1 minute to the distinguished Senator from Nebraska, who has also been extremely helpful on this issue.

Mr. EXON. Mr. President, I thank my friend for yielding for 1 minute. I find myself very much in the position just articulated by my friend and colleague from the State of Virginia. We have to make hard choices here. I felt about that amendment that he referenced about like he did. But if we are going to make the hard choices then I think we should make them. Therefore I endorse thoroughly the amendment offered by my friend from Wisconsin and my friend from South Carolina.

Certainly, in times like these, when we are talking about the concern for the defense needs and all the other needs we have been talking about all during this debate, it seems to me we have no way or reason to be talking about a tax cut. If there is any money left over after doing what we think is obviously necessary for national defense and these other programs we would be talking about, then that is where the money should be spent. If not there, to reduce the deficit.

I hope the Senator accepts the amendment that is being offered and debated at this moment.

I yield any remaining time I might have.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I thank the ranking member and ask how much time we have left on our side?

The PRESIDING OFFICER. The Senator has 1 minute and 10 seconds.

Mr. FEINGOLD. Mr. President, let me use the last brief period of time to say in response to the Senator from New Mexico that one thing has been accomplished even if we do not win on this vote. That is, the early effort to pretend there was not a tax cut in the Senate budget resolution is over. They are admitting it now, that there is this fund and they are not willing to eliminate it. That is progress. Because that was the first attempt.

Why are we not able to support the resolution in this form? It is because the proposal of the Senator from New Mexico is out of balance in the year 2002 because of this very problem of this $170 billion. In fact, what it is, is what is left of the crown jewel of the Republican contract. It is basically lying on the floor now after the vote earlier today; 69 to 31 the U.S. Senate rejected the Gramm amendment which was the crown jewel of the Republican contract. This is all that is left of it.

This amendment is an opportunity to say what all the American people really know, which is we cannot afford this. As the Senator from Nebraska said, we are either going to do deficit reduction or we are not. This amendment is the one that allows both parties to come together and strike the iron while it is hot.

I hope the Senator from Alaska is right and we get it done in the Finance Committee but we should do it now on the budget resolution.

The PRESIDING OFFICER. The Senator from Colorado controls 6 minutes and 36 seconds.

The Senator from Colorado.

Mr. BROWN. Mr. President, I am an admirer of the Senator from Wisconsin.

He has, I think, forthrightly brought forth before the Senate a number of proposals that are meant to save money. So I rise out of concern over his amendment, not over concern over the Senator himself but concern over the implication. Let me simply go directly to the point.

He made what I thought was a very interesting analogy. He talked about this amendment as a proposal to go on a diet, to eat carrots and celery and other such things. But then to put at the end of the diet a large piece of pie.

I do not think that is an appropriate analogy. Let me tell you why. What this budget resolution is is a diet. I think the Senator from Wisconsin is right about that. There is no question the Federal budget is overweight and this is a diet. This is carrots and celery. As a matter of fact, I think it is so good there might be some lean beef in here, too, all of which is very helpful to lose weight. But the potential at the end of the rainbow here is not a piece of pie. What it is, is the question of whether or not, when you have gone on the diet, you can have your suit altered. What it is is a question of whether or not you can put a swimming suit on.

If the Senator from Wisconsin wins, what he is going to say is you can go on your diet, which is the first time you have done it in many, many years. You can lose the weight, you can eat that celery, you can eat those carrots. But at the end of the period we are not going to let you take your suit off. You are going to have to walk around in the same baggy suit. There is no reward.

You can do your job. You can make the tough decisions. But, by golly, you cannot put on a swimming suit and let other people see how trim and attractive you are. Believe me, America is trim and attractive, if ever it gets its budget in balance.

Now, that is what the issue is. It is not a piece of pie. It is whether or not you can enjoy the fruits of your efforts.

Mr. President, we have had lots of inflated rhetoric about budgets. Everyone knows it. Everyone knows every time we promise to get the budget in line, it has not worked. And the reason it has not worked is because this Congress continuously overspends its own budget. So we need some help. There is no question about it. And is the promise that if we mind our P's and Q's, if we eat our carrots and celery, that we will get some reward at the end, some help? I think so. We need some help. I do not think anybody can seriously suggest that this Congress does not need help in sticking with its budget resolution.

Now, there is a unique aspect of this. This budget resolution does not commit to a tax cut. What it says is if you pass the budget resolution, if it all scores out and if you come back and fully reconcile it and fully pass that reconciliation—and I think everybody knows that is going to be tough and is perhaps unlikely—and if you reconcile in a way that the President signs—and that is an even more difficult question because the President has not been enthusiastic about signing things that cut spending—if you get all that, then you may be able to talk about this.

So what we are talking about is a little incentive for a Congress that I believe is desperately in need of some incentive, is desperately in need. What happens here is if you eliminate any incentive and you have a Congress that goes back to its old ways of overspending its own budget, you make it much less likely that we will ever get to the promised land, that we will ever keep on our diet.

Mr. President, what is the impact of going to someone who is on a diet and saying if you make the diet, there is going to be no reward at the end? Well, it is pretty clear. You diminish the incentive to get it done.

It is my judgment, Mr. President, and I think one of the American people, that we ought to be talking about more incentives to get this Congress to stay on its diet, not less. I hope the Members will reject this amendment.

Mr. President, I retain the remainder of my time.

Mr. President, I believe the Senator from Maine wishes to speak on this subject. How much time do I have remaining?

The PRESIDING OFFICER. Two minutes.

Mr. BROWN. I yield back the remainder of my time, Mr. President.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I would like to yield 5 minutes off the resolution to the Senator from Georgia on the subject at hand.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I thank the Senator from Nebraska.

Mr. President, I rise in support of the Feingold amendment of which I am a coauthor, to apply the $170 billion fiscal dividend to deficit reduction. The $170 billion set aside in this resolution for a later possible tax cut is certainly more responsible than the House approach beginning with a $1.2 trillion deficit exercise by cutting taxes. The House approach to me is like going on the wagon and beginning with chugalugging a bottle of whiskey. To me that is the analogy.

The Senate approach is to set the money aside until after a reconciliation bill is enacted and then making it available for a tax cut at the discretion of the Budget and Finance Committees and, of course, Congress' later approval.

Mr. President, I believe this fiscal dividend brought about by lower interest rates and higher economic growth will exist if we balance the budget by 2002. I do not think it is funny money, but I think it is very fragile. If we touch it by using it either for increased spending or tax cuts, I am afraid it may break. There is a strong probability that the spending slowdown in Medicaid, Medicare, education, agriculture, and other areas will generate more and more opposition from substantial segments of America before the cuts are passed by the Congress and certainly before they are fully implemented over a period of years.

There is also a probability that in cutting projected spending by over $1 trillion in a 7-year period Congress will inadvertently make some serious errors which cause extreme hardship and which will have to be corrected.

Mr. President, if my choice is to use the dividend, the $170 billion, for tax cuts or for easing the most severe impacts on Medicare, education and low-income working Americans, I believe the priority should be on easing the impact, and my votes reflect this.

However, those are not the only two choices. In effect, until this amendment is voted on, we will have been choosing between either spending the $170 billion or refunding it. In either case, we will be spending and refunding before we have earned the dividend, in my view. If I have a choice, as we do on this amendment, however, of using the $170 billion, which has not yet been earned because we passed no reconciliation bill—and even when we pass one, we all know, looking at catastrophic insurance and others, when the public rises up in arms over some action by the Congress, it does not take us long to step back, and that may happen. I hope it does not, but it may happen in some of these cuts. I think the Feingold amendment is the responsible way to go because we will be putting this $170 billion on the deficit from the very beginning, and it will in effect be a contingency fund so that if we have to back up or some of the cuts do not work out as projected, we can still work on the goal in the year designated.

If this amendment passes, there will be a small cushion, a small margin for error in economic assumptions or other assumptions in this plan to achieve a balanced budget by 2002.

I would also remind all of my colleagues who believe, as I do, that we should be balancing the budget without using the Social Security surplus, leaving the fiscal dividend alone and applying it to deficit reduction, as we will do if this amendment passes, would help us move toward the goal of a real balanced budget in the operating accounts rather than simply a unified balance which we all know simply postpones the day of pain when the general fund has to start reimbursing the Social Security fund for the billions and billions of dollars owed. In fact, it will be trillions by the 2010–2013 range.

Mr. President, I understand the analogy my friend from Colorado used about going on a diet and eating celery and carrots and getting thin. But I would remind my colleagues that when we get to 2002, if everything works out in this budget as planned, we will still have to borrow the Social Security

trust fund of $107 billion. And if we keep adding to the deficit, we will, under this resolution, at the time we get to 2002, instead of being slim and trim in a swimsuit, we are going to still owe to the people holding bonds and notes and Treasury bills all over this country something to the tune of about $6 trillion to $7 trillion. I believe the number is now about $4.9 trillion that is the national debt.

So we will not be slim and trim. We will be bulging over our bathing suits, but we will simply stop in that year adding to the fat and the bulge. So I am not sure we are going to all want to put on our bathing suits in 2002 and show the bulges that have been building up for the last 40 years. Nevertheless, that would be a rather optimistic view.

While the exact estimate would depend on what savings and enforcement provisions were enacted in the reconciliation bill, CBO's previous estimate of the fiscal dividend was about $350 billion in 2002. If we applied that to the deficit reduction, we could cut the real deficit, excluding Social Security, in half from about $100 billion to $50 billion in that year.

The PRESIDING OFFICER. The Senator has used the 5 minutes yielded to him.

Mr. NUNN. Will the Senator yield me 1 more minute? I think I can complete in 1 more minute.

Mr. EXON. If the Senator could complete in 1 minute. We are in a real crunch tomorrow for time, much more than most people realize.

Mr. NUNN. I will complete in 30 seconds.

Mr. EXON. One more minute.

Mr. NUNN. Thirty seconds.

We all know that someone has to face up to the Social Security problem. We all know the Social Security system is not going to be the same for those in their 20's, 30's, and 40's today. It cannot be. And the longer we avoid facing up to that problem, the worse the problem is going to be. Balancing the budget without the continued use of the Social Security surplus to finance other Government spending is an absolute necessary first step in that effort. I urge my colleagues to strike the reserve fund in this resolution and thereby apply these funds to the deficit. We must focus all of our efforts on creating a fiscal dividend before we refund it or consume it.

I thank the Senator from Nebraska. I thank my colleagues.

Ms. SNOWE addressed the Chair.

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

AMENDMENT NO. 1128

(Purpose: To increase funding for mandatory spending in Function 500)

Ms. SNOWE. Mr. President, I have an amendment to offer.

Mr. DOMENICI. Mr. President, while that amendment is en route, might I ask, did I yield back the remainder of my time?

The PRESIDING OFFICER. That time was yielded back.

Mr. DOMENICI. I thank the Chair.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Maine [Ms. SNOWE], for herself, Mr. ABRAHAM, Mr. GRASSLEY, Mr. BROWN, Mrs. KASSEBAUM, Mr. COHEN, Mr. LOTT, Mr. CHAFEE, and Mr. SIMPSON, proposes an amendment numbered 1128.

Ms. SNOWE. 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 26, decrease the amount on line 20 by $200,000,000.

On page 26, decrease the amount on line 21 by $100,000,000.

On page 27, decrease the amount on line 3 by $200,000,000.

On page 27, decrease the amount on line 4 by $300,000,000.

On page 27, decrease the amount on line 11 by $200,000,000.

On page 27, decrease the amount on line 12 by $300,000,000.

On page 27, decrease the amount on line 19 by $200,000,000.

On page 27, decrease the amount on line 20 by $300,000,000.

On page 28, decrease the amount on line 2 by $200,000,000.

On page 28, decrease the amount on line 3 by $300,000,000.

On page 28, decrease the amount on line 10 by $200,000,000.

On page 28, decrease the amount on line 11 by $300,000,000.

On page 28, decrease the amount on line 18 by $200,000,000.

On page 28, decrease the amount on line 19 by $300,000,000.

On page 31, increase the amount on line 12 by $900,000,000.

On page 31, increase the amount on line 13 by $500,000,000.

On page 31, increase the amount on line 20 by $1,000,000,000.

On page 31, increase the amount on line 21 by $800,000,000.

On page 32, increase the amount on line 3 by $1,000,000,000.

On page 32, increase the amount on line 4 by $900,000,000.

On page 32, increase the amount on line 11 by $1,000,000,000.

On page 32, increase the amount on line 12 by $1,000,000,000.

On page 32, increase the amount on line 19 by $1,000,000,000.

On page 32, increase the amount on line 20 by $1,100,000,000.

On page 33, increase the amount on line 2 by $1,000,000,000.

On page 33, increase the amount on line 3 by $1,100,000,000.

On page 33, increase the amount on line 10 by $1,000,000,000.

On page 33, increase the amount on line 11 by $1,100,000,000.

On page 48, decrease the amount on line 10 by $300,000,000.

On page 48, decrease the amount on line 17 by $300,000,000.

On page 48, decrease the amount on line 24 by $300,000,000.

On page 48, decrease the amount on line 25 by $100,000,000.

On page 49, decrease the amount on line 6 by $300,000,000.

On page 49, decrease the amount on line 7 by $200,000,000.

On page 49, decrease the amount on line 13 by $300,000,000.

On page 49, decrease the amount on line 14 by $300,000,000.

On page 49, decrease the amount on line 20 by $300,000,000.

On page 49, decrease the amount on line 21 by $300,000,000.

On page 50, decrease the amount on line 2 by $300,000,000.

On page 50, decrease the amount on line 3 by $300,000,000.

On page 54, decrease the amount on line 20 by $400,000,000.

On page 54, decrease the amount on line 21 by $400,000,000.

On page 55, decrease the amount on line 2 by $500,000,000.

On page 55, decrease the amount on line 3 by $500,000,000.

On page 55, decrease the amount on line 9 by $500,000,000.

On page 55, decrease the amount on line 10 by $500,000,000.

On page 55, decrease the amount on line 16 by $500,000,000.

On page 55, decrease the amount on line 17 by $500,000,000.

On page 55, decrease the amount on line 23 by $500,000,000.

On page 55, decrease the amount on line 24 by $500,000,000.

On page 56, decrease the amount on line 5 by $500,000,000.

On page 56, decrease the amount on line 6 by $500,000,000.

On page 56, decrease the amount on line 12 by $500,000,000.

On page 56, decrease the amount on line 13 by $500,000,000.

On page 64, decrease the amount on line 9 by $500,000,000.

On page 64, decrease the amount on line 10 by $4,300,000,000.

On page 64, decrease the amount on line 11 by $6,500,000,000.

On page 65, decrease the amount on line 17 by $900,000,000.

On page 65, decrease the amount on line 18 by $500,000,000.

On page 65, decrease the amount on line 24 by $1,000,000,000.

On page 65, decrease the amount on line 25 by $800,000,000.

On page 66, decrease the amount on line 6 by $1,000,000,000.

On page 66, decrease the amount on line 7 by $900,000,000.

On page 66, decrease the amount on line 13 by $1,000,000,000.

On page 66, decrease the amount on line 14 by $1,000,000,000.

On page 66, decrease the amount on line 20 by $1,000,000,000.

On page 66, decrease the amount on line 21 by $1,100,000,000.

On page 67, decrease the amount on line 2 by $1,000,000,000.

On page 67, decrease the amount on line 3 by $1,100,000,000.

On page 67, decrease the amount on line 9 by $1,000,000,000.

On page 67, decrease the amount on line 10 by $1,100,000,000.

Ms. SNOWE. Mr. President, I think that there is no question that education is one of the highest priorities that we can give in this budget resolution, and certainly we should do everything that we can to ensure that it receives our greatest attention.

So I am very pleased to be able to offer an amendment in conjunction with many of my colleagues—Senator ABRAHAM, Senator GRASSLEY, Senator COHEN, Senator BROWN, Senator KASSEBAUM, Senator LOTT, Senator CHAFEE, and Senator SIMPSON—to restore $6.3

billion in the education account. While education will play a key part in the future of America's children, let us not also forget the goal of this entire process of this budget resolution and the debate we are engaged in to balance the budget by the year 2000 is the greatest gift we could possibly bequeath to future generations of Americans.

I know there have been various efforts to restore funding towards education, but the amendments that have been offered have certainly contained fundamentally flawed funding mechanisms. There has been much talk and discussion here in the Senate about the dividend that the Congressional Budget Office may provide to score the budget if we put in place a balanced budget by the year 2002, and that we may achieve a savings of up to $170 billion.

But that may or may not materialize at the end of 7 years and, obviously, as each year goes by, it will be determined whether or not the targets have been met under this balanced budget resolution that hopefully will be enacted into law, as well as reconciliation.

But I do not think that on an issue as important as education that we can premise the restoration of funding through an illusory estimate that, as I said, may or may not be there at the end of this budgetary process.

But furthermore, the purpose of the budget resolution is to provide instructions to the Appropriate Committees, both the authorizations as well as the Appropriations Committees, as to what funding levels they can rely upon in which to conduct their work.

So they need to know what the bottom line is, and that is what the budget resolution is all about, to tell them how much they can spend and they, accordingly, make the determinations as to how they will proceed within the aggregate numbers that have been provided to them in the respective functions within the Federal budget.

I think we are playing a dangerous numbers game if we think we are going to just restore funding based on this dividend that, again, may not materialize. I do not think that we can be fiscally presumptuous in basing these numbers on such a funding mechanism. I think that we have the obligation to provide reliable, straightforward, factual estimates and data to the appropriations committees and the other committees which will be engaged in the work in trying to determine how they reach these funding levels that will be contained in this budget resolution.

But the amendment that I am offering today with my colleagues, as I said earlier, takes a fiscally responsible approach but, at the same time, helps to address the educational needs of the next generation.

Mr. President, we restore $6.3 billion in additional funding, but at the same time we provide for specific offsets. Now, of course, the appropriate committees may not follow those recommendations. They have the option of pursuing other categories for specific reductions in spending. But we have provided the offsets by reductions in funding for the intelligent vehicle program, NASA R&D for commercial aircraft, new Federal building construction, reducing the executive branch air carrier fleet from 1,500 planes to 1,350 planes and capping employee bonuses, Federal employee bonuses at $100 million from the present $300 million.

We think that there are certain priorities that we should target in any budget resolution and throughout the budgetary process of this year, one of which certainly should be to help provide very critical and important assistance to low- and middle-income families who depend upon Federal assistance to provide the educational assistance for their children.

Our amendment ensures adequate funding to protect several very important policies regarding student financial aid. What we want to do and accomplish as a result of this amendment is to ensure that the Labor and Education Committee is enforced to make changes in the student loan programs that affect home and farm equity, in the determination of eligibility for student loans, increasing the student loan origination fee or eliminating the grace period for beginning payments upon graduation.

Our aim and goal is to ensure that there are sufficient funds within this account to preclude the Labor and Education Committee from taking these steps, and our amendment is intended to provide enough money to protect those policies.

The impact of including home and farm equity in the calculations of eligibility for Federal assistance would be enormous on so many families all across this country. All we need to do is to examine the situation which occurred prior to the enactment and the reauthorization of the Higher Education Act of 1992, when home and farm equity was considered in determining income eligibility for student assistance.

The inclusion of the value of family home or farm in the need calculation meant that many hard-working middle-income families were not able to qualify for student aid. These hard-working families, for whom their home or farm was their only real asset, were punished by being shut out of Federal student aid programs.

So in 1992, Congress recognized what a serious problem this had become for many families in America. So, consequently, the 1992 higher education amendments exempted a family's farm or principal resident from the student aid program in the calculations of their need. This made it possible for low- to middle-income families to receive help from the Federal Government to send their children to college, rather than requiring them to try to mortgage their home or farms in order to pay for their education.

We want to make sure that Congress does not change the present law, which has made college more affordable for thousands of low- and middle-income families, and that is why we worked so hard to provide reasonable offsets which will hopefully guarantee the continuation of present law which eliminates consideration of the home and the farm from the needs analysis for student aid programs. We think that these offsets are a fair trade.

As I said earlier, the committees may determine that they can use other offsets, and that is certainly within our purview and the prerogatives of the committee.

Our amendment is intended to ensure that those individuals and families living off limited incomes will continue to have access to Federal student aid to send their children to college. The fact is that farms and homes should not be included in the calculation of a student's eligibility for student grant or loan assistance because those assets are not liquid and cannot be easily converted to cash for students to use toward their college education.

The second aspect of our amendment is student loan original fees which, I think, is also a critically important issue in terms of costs regarding education. OBRA 1993 reduced the original fee for both subsidized and unsubsidized loans from 5 percent to 3 percent. We believe that that is an important change and would like to see the Labor and Human Resources Committee maintain this policy. Increasing the loan origination fee increases the principal amount that borrowers must repay to the Federal Government and the amount of interest the student must pay.

Our amendment would provide enough money to hopefully protect the present origination fee formula. Finally, our amendment would also ensure there is an adequate grace period for those students after they graduate from college. We know that certainly in these difficult economic times, students upon graduation do not easily find employment, and the current grace period is up to 6 months.

We think it makes sense for us to continue to provide a grace period because students do not often find gainful employment immediately, and we do not want to force them into a situation where they end up defaulting on their student loan almost immediately upon graduation. So this grace period gives them a chance not only to find employment but also to begin planning so that they can eventually make the payments on their monthly loans.

As we know from the cost of college education and postsecondary education, it has become a very, very expensive proposition for the students, as well as their families.

We are offering this amendment because we recognize that productivity and the performance of our economy is

intertwined with the investments that we make as a Nation in education.

The structural changes in the American economy, the revolution technology, have made it necessary for students to attain training beyond high school for the work force of the future.

While nearly 40 percent of today's jobs are in low-skill occupations, only 27 percent will fall into that category by the year 2000. At the same time, jobs in high-skill occupations will rise from 24 percent to 41 percent of the work force.

Looking at the new jobs that are being created, and will be created in this decade, more than half of the new jobs created presently between now as well as the year 2000, will require education beyond high school.

In fact, the median year of education required by the new jobs is 13.5. This is a year and a half beyond high school. Therefore, every worker is going to have to recognize that they will require not only high school education but certainly a postsecondary education of some kind, whether it is a 4-year college degree or technical education. Whatever it will be, it will require not only postsecondary education but schooling beyond that, as well.

Men and women who continue their education beyond high school, as we have seen in study after study, have consistently earned more money on average each year than those who do not.

In 1990, for example, the average income for high school graduates was almost $18,000. For those who had 1 to 3 years of a college education, earned on the average $24,000. Those who graduated from college and received a college diploma received on average salary of $31,000. These statistics are from the Census Bureau.

The entire country benefits, as well. For every $1 we invest in education we get enormous returns as a result. Back in 1990, another study was conducted that analyzed the school assistance that was provided to high school students back in 1972. For every $1 that the Federal Government invested in the student loan programs at that time, the Government received $4.3 in return in tax revenues.

According to a study by the Brookings Institute, over the last 60 years, education and advancements in knowledge have accounted for 37 percent of our Nation's economic growth.

At a time in which education is becoming paramount in this global arena, where it is going to make the difference for an individual and the kind of living that can be enjoying for themselves and their families, education puts them on the cutting edge. It puts our Nation on the threshold of competition for the future.

If we deny individuals the opportunity to receive an education because they lack the financial assistance or the access to financial assistance, clearly, we as a Nation, are going to suffer.

Costs of education have increased significantly, two to three times faster than the growth of median incomes. Without student aid, increasing costs make higher education out of reach for millions of Americans.

At a time when college costs are increasing dramatically, in fact, since 1988 college costs have risen by 54 percent. We know salaries and income for families have not increased 54 percent.

We have to make sure that we carefully retain policies that will make higher education accessible to millions of low- and middle-income families.

I also would like to read part of a letter from the American Council of Education which supports this amendment, saying ''It will help millions of low- and moderate-income students fulfill their goal of a college education. Passage of your amendment is essential if the fundamental promise of the Federal student loan program is to remain available to future generations of college students. We are grateful to you for offering it, and we urge all Members to vote in favor of it.''

I know this amendment will make a significant contribution to students pursuing a higher education. I am pleased to be joined by several of my colleagues who have cosponsored this legislation.

I would now like to yield to the Chair of the Labor and Human Resources Committee who is a cosponsor of this amendment.

Mrs. KASSEBAUM. Mr. President, I appreciate the Senator from Maine yielding. I am very pleased to offer my support to the amendment that has been offered by Senator SNOWE and Senator ABRAHAM.

As Senator SNOWE has pointed out, this amendment would soften the impact of the budget resolution on Federal student loan programs by reducing the reconciliation instruction to the Committee on Labor and Human Resources by $6.3 billion over 7 years.

At the same time, it maintains the objective of the resolution to achieve a balanced budget by the year 2002 by making offsetting reductions in other budget functions.

During the course of the debate on this budget resolution, I have listened to my colleagues speak about the significance of restoring sound fiscal policy. Many have spoken to the fact that the true beneficiaries of this effort will be future generations—our children. I strongly agree.

I was privileged, and it was certainly a lesson in learning about the works of the budget and the Senate and the operations of Government, to serve on the Budget Committee for a number of years. I would like to at this time, Mr. President, particularly commend Senator DOMENICI, as chairman of the Budget Committee, who has for years, labored in the vineyards of budgetary policy and has put forward for the Senate, at this time, I think, an extraordinary budget. All who served on the Budget Committee should be commended because it is not an easy task.

This amendment that is being put forward by Senator SNOWE and Senator ABRAHAM does not compromise the resolve to put our fiscal house in order. Nor does it impair the budget resolution. What it does is revise and realign our priorities just slightly in the context of the entire budget, but significantly in our ability to fulfill what I think most agree is an appropriate and valuable role for the Federal Government.

I recognize that as chairman of the Labor and Human Resources Committee I might be accused of having adopted a ''not in my backyard'' attitude toward the budget resolution. Let me assure my colleagues that this is not the case.

The committee will do its fair share toward reducing the size and scope and expense of Government. In fact, we started early making a 25-percent reduction in the committee's own budget, which was the largest cut in any of the Senate committee budgets.

This is an amendment that should pass. It has offsets that keep the budget on course toward balance. It makes no overly optimistic assumptions. It does not touch taxes. It is a serious attempt to stay within the parameters which a majority of the Senate Committee on the Budget endorsed in reporting this resolution.

I think it is also important to remember what the budget resolution is. It is a resolution that makes no reference to any specific program; rather, it divides spending into broad overall categories.

I understand this amendment assumes some specific outsets. There are many other assumptions that could have been used to specifically define those offsets.

However, at this stage they are just that—assumptions—and nothing more. They are not mandates on authorizers and appropriators. In the ends, authorizers and appropriators will make the decisions on individual programs.

Some of my colleagues may have objections to any specific offsets that may have been delineated and discussed in relation to this amendment.

While I am concerned about some of the assumptions, one which may be regarding the NASA aviation research program, aviation research is vital not only to industry but also to public safety and the environment.

However, Mr. President, it is important to remember that the amendment itself does not refer to the advanced subsonic technology program or high-speed research, or NASA, for that matter.

It refers only to a slight reduction in the overall transportation function. Less than one-half of 1 percent, in fact.

I would like to ask Senator SNOWE, is that not correct?

Ms. SNOWE. I would like to answer the Senator from Kansas. The Senator is absolutely correct. We recommend offsets so that we determine the credibility of our numbers and ensuring the committee can reach those funding levels, but certainly it is within the prerogative of the respective committees

to determine how they reach those numbers.

They may choose to arrive at them in a different way and make different reductions and offsets than the ones we recommended. The specific offsets are not included in the legislation. We want to make sure they understand that we have some credible numbers that have been scored by the CBO.

Mrs. KASSEBAUM. Mr. President, I thank the Senator from Maine.

I am confident, Mr. President, that the authorizers and appropriators will evaluate programs under their jurisdiction and set their own priorities. That has always been the case. It will continue to be the case.

This amendment leaves them more than enough room to preserve a vital NASA function, for instance, aviation function, and meet the country's pressing transportation infrastructure needs.

Likewise, the budget resolution makes no specific assumptions about how the Senate Committee and Labor and Human Resources will meet its instruction on mandatory spending. Yet, the range of options available to the committee on mandatory programs is much more limited.

Even the adoption of this amendment will not leave the committee with an easy task—as we still must produce over $7 billion in savings among a rather limited number of options. I would like to go further, but I do not believe it would be realistic to do so.

I share the goal of assuring that our Nation's young people do not face a future in which the burden of public debt smothers their capacity to benefit from the fruits of their own labor.

I thought Senator SNOWE, in her comments, very eloquently laid out exactly why it was very important to be able to add this money back to assist with the student loan program in ways that I think we all recognize would be very beneficial.

I believe the Snowe-Abraham amendment strikes a reasonable balance between these two important objectives. I urge its adoption by the Senate when this amendment comes to a vote.

Thank you, Mr. President, I yield the floor.

Ms. SNOWE. Mr. President, I yield 5 minutes to the Senator from Iowa, Senator GRASSLEY.

Mr. Grassley. Mr. President, I want to speak briefly in support of the amendment offered by Senators SNOWE, ABRAHAM, and myself.

Let me just say that as the 2d ranking Republican on the Budget Committee, and having served on the Budget Committee for over 14 years, how much the committee has benefitted from the infusion of knowledge, ideas, and energy from these two Senators, Senator SNOWE and Senator ABRAHAM, as well as Senator FRIST, the other newcomer to the committee.

I am pleased to be joining these two Senators as an original cosponsor of this amendment which lessens the debt our undergraduate students will face and also ensures that students will not be denied eligibility for loans because of the value of their family's home or farm.

I commend the Senators for offering this amendment.

It should not be forgotten though that it is this budget resolution and the tremendous work of Chairman DOMENICI that will do so much to benefit our students, both undergraduate and graduate.

The lower interest rates that will be achieved by getting to balance by 2002, will translate into hundreds of millions in savings for students who are paying off their student loans.

It is important to note that this amendment offers real offsets for the programs it wants to fund. This amendment doesn't do across-the-board cuts, or worse, tries to pay for it by assuming funds from the economic dividend. This amendment provides real offsets from other discretionary spending.

I would like to comment briefly on one of the offsets—cutting back part of the Government's private airlines.

I have asked the GAO to review the number of planes that are owned by the Federal Government. Incredibly, the Federal Government, not including DoD, has over 1500 planes—most of which are owned.

Agencies like the Panama Canal Commission, the Resolution Trust Corporation, and the General Services Administration all have planes.

Now many of these planes are necessary, and do have important missions. However, GAO has found that a significant number of these planes have as their primary mission ferrying senior Government officials around.

Similarly, the President's Commission on Integrity and Efficiency has found that many of these aircraft are not necessary.

When we are asking others to tighten their belts we cannot continue to fund a private airfleet for Government officials.

A good example of the wastefulness of these Government-owned aircraft is highlighted in a recent report by the NASA inspector general:

> Several NASA aircraft were used by NASA employees, other Government employees, and non-Federal travelers for official travel at higher costs than using commercial airlines.
>
> An analysis of fiscal year 1992 and fiscal year 1993 travel, comparing the cost of travel using seven of the eight aircraft—NASA owned aircraft—with the cost of using commercial air flights, showed $5.9 million could be saved annually by using the commercial flights.

This amendment assumes the selling of only a small number of planes, 150, approximately the number that GAO believes are being used for travel purposes. The amendment still allows the Government to retain over 1,400 planes to achieve their missions.

This is a good amendment, I am proud to be a cosponsor of this amendment that will help young people to attend college.

I yield the remainder of my time.

Ms. SNOWE. Mr. President, it gives me a great deal of pleasure to yield as much time as he may consume to Senator ABRAHAM of Michigan, who helped in developing this amendment. I was pleased to work with him because we share the goal in advancing the needs for our families in this country with respect to education.

Mr. ABRAHAM. Mr. President, today I join Senator SNOWE in offering an amendment to restore $6.3 billion in mandatory education spending through offsetting cuts to corporate welfare and general Government.

Before I discuss the details of the amendment, let me make clear that my sponsorship in no way detracts from the chairman of the Budget Committee or his resolution. Senator DOMENICI and his staff have done a Herculean task of putting this budget together and they should be applauded. In the area of education, however, I have some concerns.

Mr. President, going to college has been an integral part of the American dream ever since Harvard University was established by the General Court of Massachusetts in 1636. For millions of young Americans from lower and middle-class families, a college education is the first step towards a brighter and more productive future. For many of these families, however, that dream is out of reach without some form of assistance. The student loan program makes it possible for children from families of modest means to attend college and get their degree.

Because of the important role the student loan program plays in so many lives, I am concerned that the spending reductions included in the education, training, employment, and social services function will result in decreased access for low- and middle-income students to a college education. While it should be noted that the reductions in this function will not necessarily come out of the student loan program, the size of the reconciliation instructions included for the Labor and Human Resources Committee make such cuts possible.

By reducing these instructions by $6.3 billion, I hope to relieve pressure on the authorizing committee so that in reaching their target, they don't have to resort to some of the cuts listed in the CBO ''Spending and Revenue Options'' book for mandatory education spending.

Options like increasing the student origination fee, including home and farm equity for when calculating financial need, and eliminating the 6-month grace period between graduation and when the loan payments begin hit students and then families hard when they can afford it the least. The goal of this amendment is to protect undergraduate students from higher out-pocket-costs when they apply for Federal loans.

To pay for this restoration of funding, we are offering the offsets from the

transportation, general government, and allowances function. Speaking generally, I am certain a good case could be made for each of these spending areas. With the goal of balancing the budget, however, the Senate must set priorities, and trading corporate welfare for the dream of a college education is a good bargain.

In conclusion, Mr. President, let me just say that the Federal Government has been helping students gain access to higher education for over 40 years. This partnership has enabled millions of men and women to go to college, get their degree, and go on to live more productive and creative lives. This amendment would protect that tradition and ensure that student loans continue to be available to all Americans. It is a good amendment, and I hope the Senate will support it.

I yield back the balance of my time.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I would like to inquire as to how much time is remaining?

The PRESIDING OFFICER. The Senator has 27 minutes 50 seconds.

Ms. SNOWE. I would now yield 5 minutes to the Senator from Rhode Island, Senator CHAFEE.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from Maine for yielding me some time and congratulate her and Senator ABRAHAM for the amendment which they have presented and of which I am a cosponsor.

I believe they are on the right track. Any time you make substitutions, as the Senator from Kansas pointed out, it is difficult. But I think the selection of the substitutions that Senators SNOWE and ABRAHAM made are good ones. So that is a fine amendment and I am glad to be a cosponsor of it.

I would just like to say, if I might, a few words about this budget we are considering here today and will vote on tomorrow. It seems to me tremendously important that we bear in mind that for 33 straight years this Nation of ours, through wars and recessions, through good economic times and through bad economic times, the Federal Government has continually had to borrow money each year to pay its bills. Why is this so bad? What it means is that each year we continue to finance the Government with debt, and in doing so we steal the economic prosperity of our children and our grandchildren. Interest expenses this year totaled $235 billion. Not a penny of that for principal—$235 billion; 15 percent of the total budget of the United States now is being spent on interest on the debt. That amount of $235 billion will increase to $400 billion in just 10 years unless we do something about this budget.

With the problem so clearly defined, you would think the President would have addressed it when he sent up a budget this year. But he did not. Instead, the President sent us a budget that had $200 billion of deficit this year, and over the next 7 years he continued with deficits of the same nature.

I do not think that continuing on the path of deficit spending is acceptable. To me it is morally wrong to be sending these bills on to our children and future generations. Some Members on the other side of the aisle have suggested that selecting 7 years from now, the year 2002 is arbitrary. I mean why do you select 2002? How about 2005? There is nothing magic about 2002. But let us get on with the job. Once you start down the slippery slope of saying how about 2005, how about 2015 or 2020? I do not go with the thinking of postponing it beyond 7 years. Seven years provides us with enough time to implement the cuts in a manner that does not jeopardize our economy.

Like every Senator, I have heard from people who come up to me, as every Senator here has had the experience, and they say, ''I am for balancing the budget, but''—the next word is always ''but''—''but please protect this particular program I am interested in,'' whether it is education or the environment or health care or doing something about law enforcement. You always hear that word ''but,'' but do something about greater research at the NIH—whatever it might be.

If we are going to balance this budget, we have to have hits right across the board, in a whole series of attractive programs. Is this the perfect budget? I do not think it is. I suppose, if they had asked me to draw up a budget, I could have done a better job, probably. That is what I think. And every single Senator here thinks the same thing. But this budget is the first one in three decades that puts us on a path of fiscal responsibility. I congratulate the chairman of the Budget Committee, Senator DOMENICI, for the extraordinary work he has done. Not only Senator DOMENICI, but the members of his committee likewise deserve congratulations.

We have a choice. We can stick with the status quo. We can do nothing. And we can just go on with $200 billion of deficit this year going up to $400 billion in a few years. Or we can end these deficits and do it now. The budget before us leads America away from the red ink and toward a better future for our children.

If we succeed in balancing this budget, as we are on the path to doing now, we will reap the benefits of lower interest rates, stronger economic growth, and the feeling, that wonderful feeling that we are passing this Nation on to our children in better condition than we found it. What could be more worthwhile than that? What more worthy goal than to say we are not going to continue passing these bills on to our children and grandchildren?

Mr. President, I just hope this budget before us will receive the support from every single Senator when we vote on it tomorrow afternoon. Again, I congratulate the distinguished Senator from Maine and the distinguished Senator from Michigan for the excellent amendment which they have submitted.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I would now yield 2 minutes to the Senator from Michigan.

Mr. ABRAHAM. Mr. President, I want to elaborate a little further on some of the reasons why I think this amendment is so important. As a candidate for the Senate during the 1994 campaign, I traveled throughout my State. I was struck by the extent to which young people in Michigan, college students, high school students, and others really believe that it was important that we focus on the future. They were looking to us, I think, those of us had who were running, to try to address how we could make our Nation more competitive, how we could expand opportunities, particularly opportunities in the private sector in the next century, how we could be more competitive in a global environment in which we compete no longer with just three or four other industrial nations but with virtually the whole world.

I think, as I talked to people, both those who might themselves be beneficiaries of student loans in this 7-year period we are discussing but also to leaders of industry in my State, it became increasingly clear to me that a top priority had to be a well-educated work force, a work force prepared to be competitive with the kind of global economy which we will encounter.

That is why I think it is important that we make our citizenry as competitive as it can be. I believe this amendment, by producing the kinds of environments in which not only the volume of student loans that are available does not decrease but the access to those loans by people of more modest means remains unchanged, is the way by which we can fulfill for many people their dreams to be able to participate fully in the kind of competitive economic environment of the future.

For that reason, I think the amendment particularly is sensible, one that I hope other Members of the Senate will join us in supporting when we cast our votes on this.

Mr. President, I yield the remainder of my time.

Mr. COHEN. Mr. President, I am pleased to join Senators SNOWE, ABRAHAM, GRASSLEY, BROWN, KASSEBAUM, and others in offering an amendment to the fiscal year 1996 budget resolution to restore funds to valuable education programs by reducing funding for Federal building projects by 50 percent.

I strongly support this amendment and believe that it represents a much better use of scarce Federal resources. I am very concerned about the cost of Federal construction projects. Last Congress, I introduced legislation to

reform the way the Federal Government manages its office space. I was concerned that the Government had billions of dollars in construction projects in the works and did not seem to be focusing enough attention on whether these projects were being constructed or renovated in the most cost-effective manner, whether the Federal Government was building in areas already glutted with commercial real estate, or even whether projects were truly needed.

Numerous General Accounting Office [GAO], and General Services Administration [GSA], Inspector General [IG] reports over the years have consistently identified problems in GSA's real estate portfolio and its chronic history of wasteful spending and mismanagement. The agency's long standing problems have significantly impaired its ability to meet the property needs of the Federal Government in a cost-effective and business-like manner. My legislation directed OMB to review Federal property management policies and implement changes to ensure better coordination among Federal agencies, focus on longer term cost-effectiveness, and achieve cost savings. While my legislation was passed by the Senate, it was amended in conference to require GAO to do a study to determine the feasibility and effectiveness of establishing a single Federal agency responsible for selling and otherwise disposing of real property owned by the Department of Housing and Urban Development [HUD], Farmers Home Administration, Department of Agriculture, Federal Deposit Insurance Corporation [FDIC], and the Resolution Trust Corporation [RTC]. This report is due out later this year.

In July 1993, I held a hearing in the Senate Subcommittee on Oversight of Government Management to examine how GSA manages its real estate. The results were quite disturbing. The hearing highlighted the fact that the Federal Government was constructing it did not need and leasing buildings it could not afford. Last May, the full Governmental Affairs Committee examined waste in the Federal courthouse construction program. The hearing illustrated that the Federal Government was wasting millions of dollars on courthouses that were padded with extravagant features such as brass doorknobs, kitchenettes, custom lighting, and expensive wood paneling.

During these hearings, R.S. Means, a Boston company that surveys construction costs, reported that the Federal Government was paying at least two to three times as much to build a Federal courthouse or office building than it cost to build a State courthouse or construct a building for the private sector.

The GAO also found major flaws in the methodology used by the Federal judiciary for estimating future court space needs. As a result, future space needs for a 10-year period were overestimated by more than 3 million square feet which, if authorized, could result in $1.1 billion in unneeded courthouse space. I, along with a number of my colleagues, wrote GAO to request an audit of the Federal courthouse construction program. That report is due out later this year.

Last March, Senator KERREY and I offered a sense-of-the-Senate amendment to the fiscal year 1995 budget resolution calling for a 1-year moratorium on construction of new Federal courthouses. Although it passed the Senate, the provision was dropped in conference and a number of courthouses and other Federal office buildings were subsequently funded.

More recently, I joined Senator KERREY in offering an amendment to the rescission bill that would have added over $300 million in deficit reduction to be taken from wasteful or unnecessary GSA projects. The amendment would have scaled back projects that were not authorized or that the GSA itself has either never asked for or said are unnecessary or lavish. Senator SHELBY offered a second degree amendment which expanded the projects covered to all Federal new construction, repair and alteration projects, including those that had gone through the normal authorization process, eliminating $1.9 billion in funding for Federal construction projects. Unfortunately, much of the $1.9 billion cut by the Shelby amendment was restored in conference. Mr. President, at a time when we are looking at cuts in education and many valuable programs, I find it hard to believe that we cannot find the means to cut funds for Federal building projects first.

I have commended GSA Administrator Roger Johnson in the past for his efforts to reform GSA and save taxpayers' dollars. At his confirmation hearing, I asked Johnson to suspend and review all Federal construction projects to determine if the projects were truly needed. GSA Administrator Roger Johnson's time out and review looked at about 200 construction and leasing projects and recommended changes with potential savings of $1.2 billion. While this is certainly a step in the right direction, more still needs to be done.

As Congress looks for ways to address the Federal budget deficit, we must ensure that Government programs and agencies are operating in the most cost effective manner possible. In these times of tight budgetary constraint, this amendment makes sense. I am pleased to cosponsor this amendment which will reduce funding of Federal buildings projects by 50 percent, on top of the 25 percent already assumed in the budget resolution, and target these funds to helping students go to college. This amendment represents a better use of scarce Federal dollars and puts money back into important education programs. I urge my colleagues to support the adoption of this amendment.

Mr. GLENN. Mr. President, I rise in opposition to the amendment proposed by Senators SNOWE, ABRAHAM, GRASSLEY, BROWN, KASSEBAUM, COHEN, LOTT, and CHAFEE.

I support the goal of the amendment—to provide increased funds for higher education. My record is clear and unequivical on education funding. These funds must be increased, but not in the way proposed by the proponents of this amendment. I would like to speak about two of the offsets that the amendment identifies and discuss the impact which these cuts would have on our economy.

First, the amendment would zero out two important NASA programs. These programs are the R&D or seed corn type programs which many of my colleagues have heard me speak about in the past. This amendment would zero out NASA's High-Speed Research Program, and NASA's Advanced Subsonic Technology Program.

Before I talk about these specific programs, I would like to observe that NASA has already absorbed more than its share of budget cuts. A couple of figures will illustrate what I am talking about: In fiscal year 1993, NASA's 5-year budget request was about $122 billion. The fiscal year 1996 request is now $82 billion for the next 5 years. NASA has been cut by one-third in just over 2 years.

NASA has stepped up to the plate to reduce bureaucracy and improve the way it does business. Under Dan Goldin's leadership the agency is currently going through a painful process of reducing its budget by $5 billion over the next 5 years. Mr. Goldin believes that this can be achieved without eliminating programs. He has a tough row to hoe to achieve this. Further cuts in NASA's budget will simply result in the elimination of current programs.

Now, let me talk about the High-Speed Research Program first. The goal of this program is to help develop the technologies industry needs to design and build an environmentally compatible and economically competitive high-speed civil jet transport for the 21st century. The technology developments are to reach an appropriate stage of maturity to enable an industry decision on aircraft production by 2001.

Mr. President, the technologies currently needed to develop such a transport are beyond the state of the art. NASA estimates that industry will need to invest more than $20 billion to bring such a transport to market.

Studies have identified a substantial market for a future supersonic airliner to meet rapidly growing demand for long-haul travel, particularly across the Pacific. Over the period from 2005 to 2015, this market could support 500 to 1,000 aircraft, creating a multibillion dollar sales opportunity for its producers. Such an aircraft will be essential for capturing the valuable long-haul Pacific rim market.

As currently envisioned an HSCT aircraft should be designed to carry 300

passengers at Mach 2.4 on transoceanic routes over distances up to 6,000 nautical miles at fares comparable to subsonic transports.

Now let me talk about the Advanced Subsonic Technology Program.

The goal of NASA's Advanced Subsonic Technology Program is to develop, in cooperation with the FAA and the U.S. aeronautics industry, high payoff technologies to enable a safe, highly productive global air transportation system that includes a new generation of environmentally compatible, economical U.S. subsonic aircraft. Some of the technologies and issues being studied and developed in this program include:

Fly by light/power by wire: a fully digital aircraft control system which would be substantially lighter, more reliable, and efficient than current control systems.

Aging aircraft: to develop new ways of inspecting aircraft to determine their airworthiness. New approaches are being developed to determine the residual strength in airframes using advanced nondestructive technologies. It might be worth thinking about this program the next time you are sitting in a 727 that is 20 years old waiting to take off on a cross-country flight.

Noise reduction: This program is developing technologies to reduce aircraft noise by 10 decibels or more by the year 2000.

Terminal area productivity: Technologies, chiefly involving air traffic control, that can improve the efficiency of operations on the ground at busy airports.

Integrated wing design: New concepts, design methodologies, model fabrication and test techniques are being developed to provide industry an integrated capability to achieve increased aircraft performance at lower cost.

Propulsion: Technologies to improve fuel efficiency of future commercial engines by at least 8 percent and reduce nitrogen oxides by 70 percent over current technology. These are only some of the technologies being developed under the program which the amendment's proponents would completely gut. It is a truly shortsighted amendment that would eliminate these important applied technology programs.

Mr. President, it is no secret that aerospace business is a Government-private sector partnership. Historically our Government has funded aeronautics R&D, and industry has taken this basic technology and developed aircraft that have dominated the world market. Over the last decade or so, other governments have gotten into the act. Currently the U.S. Market share is about 65 percent, down from about 91 percent in the 1960's.

Cutting these two important programs will not help us regain this market share—quite the opposite. We will be sending a signal that the U.S. aircraft industry will be less competitive.

In summary, the advanced subsonic technology:

Meets future technology needs for next generation aircraft.

Enables NASA to develop high-risk, high-payoff, precompetitive technology to prove feasibility so that industry may complete development and apply technology to specific products.

Will result in accomplishments in noise prediction codes for quieter engines, nondestructive evaluation techniques for detecting corrosion, cracks and disbonds; analytical tools to understand airraft wake cortices for safe landings.

Assists in preserving 1 million U.S. high-quality jobs and $25 to $30 billion annual positive balance of trade for U.S. aviation.

The High-Speed Research program will:

Enable NASA to develop early, high-risk technology for future environmentally compatible, economically competitive, high-speed civil transport aircraft—technologies needed are beyond state of the art;

Industry will take NASA technology and invest $20 billion to actually develop aircraft, and

If the United States is first to market, the U.S. market share could grow to 80 percent, achieve $200 billion in sales, and create 140,000 new U.S. jobs.

Thank you Mr. President. I urge my colleagues to vote against the Snowe-Abraham amendment.

Ms. SNOWE. Mr. President, I would like to say in conclusion that I certainly appreciate the efforts by the Senator from Michigan, and other colleagues and cosponsors of this amendment, on a very critical and important issue in our estimation. We want to be sure that the American people understand and know that we consider education to be one of the highest priorities. That is why we are seeking to restore $6.3 billion in the education account.

When you consider the fact that since 1988 students' education costs increased by 219 percent, it is almost difficult to comprehend, because the average family has been struggling since that time in some very difficult and unusual economic times, considering the recession that we have had, certainly in my State of Maine and in the New England area, which was the hardest hit in addition to the other parts of the country, especially California. We represented a third of all of the jobs that were lost during the course of that recession.

So when you consider the fact that education needs became more important, we have to make sure that they have access to adequate funding for financial assistance in the future. Not only is it essential for their future, but it also essential to this country's future when you consider how important the educational experience is going to be for global competition in and for the economic world we will be facing in the next century and beyond.

So I appreciate the statements that have been made by all of my colleagues.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. FRIST). Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Ms. SNOWE. I yield back the remainder of my time.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. I yield time for an inquiry by the Senator from Arkansas, or I will yield him what time he needs on his amendment. I guess what we were hoping for is to restore the balance of the time due on this side on the amendment offered by the Senator from Maine. I would make inquiry at this time, if the Senator from Maine would consider setting aside her amendment now that the yeas and nays have been ordered so that we can allow Senator BUMPERS to proceed with the offering of an amendment that he has that we will vote on tomorrow.

Several Senators addressed the Chair.

Mr. DOMENICI. Mr. President, I was not here. But essentially there is time remaining in opposition to the amendment. I have to use a little bit of that. In fact, that is what I was discussing. I told the Senator I wanted to discuss this before I asked her to set her amendment aside.

So I am willing that that time be charged in opposition, however, anybody would want to do it. If somebody wants to speak on the general budget, I will yield them time. Does the Senator from Alabama need time?

Mr. SHELBY. I need 15 minutes.

Mr. DOMENICI. I yield 15 minutes in opposition to the Snowe amendment at this point. I am trying to make arrangements.

Mr. EXON. I thank my friend.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, over the past few days Members on the other side of the aisle basically have claimed to represent the best interests of hard-working Americans. They stood up with charts and made passionate speeches, and say they know better. They criticized the Domenici budget, although they have no budget of their own.

I believe that the budget resolution debate has been demagogued to death.

This debate has been turned into an issue of who is compassionate and who is not, and rich against poor, even though the Senate budget resolution does not include $1 yet in tax cuts. Never mind we do not touch Head Start. Never mind that we do not touch the School Lunch Program. Mr. President, never mind that we do not cut Social Security. Never mind that we preserve Medicare, which will go bankrupt unless responsible leaders take action.

I believe we need tonight to discuss the real issues, like our tremendous national debt and our endless string of deficits. I believe that people on the other side of the aisle do not want to debate basically the fact that we are the biggest debtor nation in the world. People on the other side of the aisle I believe do not basically want to debate the fact that the dollar is, overall, losing its value against most major currencies, and that hard-working Americans are losing purchasing power every time the dollar depreciates. No, Mr. President, they will not debate the real issues.

Mr. President, I was once told that on the other side of the aisle people see what they want to see, and that the Republicans have the unfortunate tendency of seeing what is there. I would like to show you what is there. Because what is there are the real issues.

I want to share with you a chart, if I can, a chart that shows the Federal Government's net financial assets beginning in the year 1946, which is over here, through 1993. Instead of an upward spiral, you see a downward spiral because these are real issues.

This chart comes from data contained in the 1995 Economic Report of the President. It shows the Federal Government's net financial assets, as I said, from 1946 to 1993.

As one can see on the chart, the Federal Government is depleting the national wealth of the United States every year. It is going down. But look at it over here, how fast it is going down. The greatest country in the world, Mr. President, the United States of America, the great economic leader of our time, possessed net financial assets of nearly $3 trillion in 1993. Far from saving our children and investing in our kids for tomorrow, the spending machine of the Federal Government is squandering away our resources at a record rate.

The chart says it better than we can. In fact, net financial assets of the Federal Government have been decreasing at a rate of 7.1 percent a year over the past 20 years, while private wealth has grown only 3.2 percent. The Federal Government is depleting national wealth at a rate twice as fast as the private sector can create. This is a trend that we cannot simply sustain as a Nation.

There is a direct impact in the rise in Government budget deficits, which is to worsen the current account balance and place upward pressure on interest rates. Our current account stood at $104 billion in 1993. This means we either sold $104 billion in assets to foreign entities, borrowed $104 billion from foreign entities, or a combination of the two.

Although a current account deficit in and of itself is not a bad thing, the accumulation of persistent current account deficits over time leads to an overwhelmingly external debt that we have today. These deficits identify a systematic shortfall of savings below investment due to an expansion consumption relative to income.

The implication is that we borrowed to finance current consumption, expenditures that have no real effect on economic growth or future income in this Nation. In other words, the Government is borrowing abroad to finance the excess of expenditures over income. Projections of higher current account deficits run well into the foreseeable future, which does not bode well for this country.

The increase in interest rates caused by budget deficits increase the cost of capital, home mortgages, car payments and any other goods that are financed. If the other side of the aisle really wants to help the hard-working, middle-class Americans, it seems to me they should help them reduce the cost of living instead of adding, Mr. President, to their already tremendous burden.

It is true that hard-working, middle-class Americans need relief, but on the other side of the aisle I think a lot of the people just cannot accept the notion that relief does not have to come in the form of a check, Mr. President, in the form of a check from the Government every month. No, they do not have to accept the notion of freedom and free markets. They still believe that Americans depend on Government for their livelihood.

I reject that notion wholeheartedly. I understand the unpleasantries of debt-stricken countries. We all do. Let me tell you that the restrained growth in this budget resolution is more compassionate, more beneficial and more tolerable than any experience of a bankrupt country. The immediate gratification of consumption does not outweigh the tremendous long-term benefits of a balanced budget.

Democrats supposedly believe in a balanced budget. However, they have presented no proposal that I have seen. President Clinton supposedly believes in a balanced budget, but he has not presented one here that I know of. President Clinton, I understand, will not even support a $16 billion rescission package much less the $175 billion in cuts necessary to balance the budget this year. And $16 billion, Mr. President, is only 9 percent of this year's deficit. Come to find out it is only .3 percent of the $4.8 trillion debt.

The actions of President Clinton and his party do not match their words. Their idea of deficit reduction is the Omnibus Budget Reconciliation Act of 1993 that we all know included the largest tax increase in history. Did it reduce the deficit, Mr. President? Yes. Only temporarily, for a year or two. But if one looks at the outyears, deficit spending just keeps going up as far as the eye can see.

What do we have to show for our $241 billion tax increase? Nothing, I would submit—nothing but increasing deficits and reduced disposable income for hard-working Americans.

The Congressional Budget Office has outlined the potential economic impacts of balancing the budget by the year 2002. They project long-term interest rates will fall by almost 2 percentage points. They also project an increase in real GNP of almost 1 percent, just from practicing a little fiscal discipline.

Mr. President, a balanced budget is good for America today, tomorrow and forever. That is why I am going to support the Domenici budget.

I suggest the absence of a quorum.

The PRESIDING OFFICER. Who yields time for that purpose?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Pardon me, Mr. President, for not being in the Chamber. I yield 15 minutes to Senator THOMPSON from Tennessee who desires to speak in opposition to the amendment.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, we are now in the midst of a budget debate, but in listening to the debate over the last several days it has become apparent to me this is not just a debate over the budget, not just about the need to balance the budget or budget priorities. It is a debate over two conflicting sets of ideas, and ultimately it is a debate over how much faith we have in the American people to support a policy that we all know is right.

Many Americans believe that our country is at a crossroads. While we all know that we were the victors of the cold war and we are still strong and prosperous, more and more of our people are coming to the conclusion that there are some things in this country that are simply wrong: the youthfulness and the viciousness of our crime, our welfare dependency and social disintegration that comes from that, a gradual slowing of our economy, our extremely low savings rate and low investment rate, a greater and greater dependency upon foreign money to prop our economy up. Americans wonder how long we can remain strong when we are losing so many things that have made us strong.

We look at the lessons of history, and we see that the fate of other great nations where they have gone down the road of bigger government, higher taxes and increasing debt and moral and intellectual laziness. We see how they enjoyed their brief hour upon the world's stage and then moved on and declined. And we wonder if ours is going to be the generation that oversees the decline of the United States of America to the role of a second-rate country.

We certainly are not addressing the totality of this situation during this current debate. Indeed, we must question how much in the way of solution actually lies in the hands of the Federal Government. However, this debate

does involve an area that is largely under the control of Congress. Indeed, some might say that Congress was primarily the cause of it. And it is the most serious economic problem facing our Nation. That is a debt that is literally bankrupting our country.

One of the things most basic to human nature, Mr. President, is looking out for those who we bring into the world, and for most of our country's history we did just that. Through world wars, through a Great Depression, we paid for what we consumed. However, for a quarter of a century or so now, we have gone off on another track. We have gone off on a spending spree, and we are borrowing money now from future generations. Over the years, every interest group imaginable has organized itself and made its demand on the Federal Treasury. And since we are a system essentially of professional legislators whose primary interest is in reelection, the answer to these demands for more Federal dollars is usually yes. So program is piled upon program, and once a program is created and its constituency is created, it is never done away with. It is seldom even reduced. It is usually only expanded. And more and more people are increasingly dependent upon the so-called free money that we are borrowing from our children and grandchildren.

Mr. President, it is obvious the American people have decided that this country cannot survive under this old way of doing business. They have rightfully decided that we cannot sustain an almost $5 trillion debt that is still growing. They have decided we will not saddle our future generations with higher interest rates, less affordable homes, fewer jobs, lower wages and a loss of economic sovereignty. They understand we are on the verge of bankrupting two of our most important social programs in this country, Social Security and Medicare, if we do not take immediate steps.

In response to this clear mandate, the Republicans on the Budget Committee, without one Democratic vote, have produced a plan that will balance the budget by the year 2002 by slowing the growth in Federal spending from 5 percent a year to 3 percent a year. It protects Social Security, saves Medicare from bankruptcy, maintains the Social Security safety net, reduces the Federal Government and removes power out of Washington back to the people.

Of course, the defenders of the status quo continue to do everything possible to defeat these goals. They first denied the need to balance the budget. They are only following the President's lead in that regard. He has submitted what the Washington Post called a ''weak and directionless budget'' that will add over $1.2 trillion to our national debt over 5 years. Then his senior economic adviser claimed that cutting the budget would actually be bad for the economy. These developments were met with universal dismay and derision and have since been abandoned by our friends across the aisle.

We tried to pass the balanced budget amendment. At this point the defenders of the status quo, being able to see which way the wind was blowing, acknowledged the need to balance the budget but forcefully argued that we should balance it without a constitutional amendment; that all we needed to do was exercise our responsibility as legislators. Besides that, they said, tell us how you are going to balance the budget. We want to see a plan. And they defeated the balanced budget amendment by a single vote.

Now the Republicans have submitted the balanced budget resolution. We have detailed a plan, and we are ready to take on the responsibility. Now our colleagues on the other side of the aisle, backed into a corner, slip their favorite old worn out record on the Victrola. Side A is entitled ''Scare the Sick and the Elderly.'' Almost as popular with them is the flip side called ''Class Warfare''—in other words, the same old record that they were playing during the last congressional elections, which proved so rewarding for them. They rail against tax cuts for the rich when in fact there are no tax cuts in this budget for anybody, much less the rich. However, they correctly point out that there might be $170 billion dividend if in fact a balanced budget is certified. And they seem petrified at the thought that this might actually result in some taxpayers getting the benefit of some of the money in the form of a tax cut; in other words, getting to keep a little bit of the money that they earned in the first place. So now instead of helping us balance the budget, they are busy trying to figure out how to spend this $170 billion that they had no hand in producing and that does not even exist yet.

Clearly, the tax-and-spend philosophy that has gotten us into the trouble that we are in is alive and well. Mr. President, the opponents of this budget who for so long promoted big spending and every pork barrel project to come down the pike, including the President's ill-fated stimulus package, and who have opposed the balanced budget amendment and a balanced budget are now saying that we are not balancing it in the right way. They say, ''We definitely want a balanced budget, but not at the expense of group A or group B or group C'' and the groups go on and on and on. In other words, we cannot reduce the rate of growth in any areas even where the growth rate is out of hand if it actually affects anyone.

The defenders of the status quo talk about protecting children when it is their policies of the past that have robbed these children of their future prosperity. They talk about defending the college student when it is the philosophy of ''spending is the solution to everything'' which has greatly diminished the value of a college degree because so many of our students entering college nowadays cannot even read and write.

They talk about defending the elderly when it is their policies, the policies of the past, that have put us on the verge of bankrupting both Social Security and the Medicare trust funds.

They talk about making sure that the wealthy receive no additional breaks, and yet it is the wealthy who are the bond holders who are receiving the astronomical interest payments that we make on our national debt. According to the Congressional Budget Office, without deficit reduction, annual interest payments by 2002 will balloon to $334 billion.

No, the plain truth is that the only way for these groups to get what they deserve and to prosper in the years ahead is to turn our backs on the failed policies of these so-called defenders and rectify the damage that they have already done by moving toward a balanced budget. The balanced budget resolution before this body is the first major step toward that end.

These budget critics want to refight the eighties again, ignoring their own part in the spending binge that ran up the deficit. They say it was the President's fault back then. I say to my friends on the other side, the constitutional authority of the President of the United States has not changed. If it was the President's fault in the eighties, whose fault is it now?

As a recent Washington Post editorial said:

> Democratic complaints about Republican budget plans will continue to have a hollow and unpersuasive ring until the Democrats begin to come up with specific alternatives of their own. Until then they will merely seem to be defending the present spending pattern, with its succession of $200 billion a year deficit reaching as far as the eye can see that President Clinton projected in the budget he sent to Congress last February.

Now, it should be kept clearly in mind that we are not going through this exercise simply to avert disaster, although that would be reason enough. We are doing it to ensure future prosperity, Mr. President. Eliminating the deficit could bring widespread benefit in the form of lower interest rates for mortgages and business loans. That would spur a boon in housing construction and business investment which would create jobs and raise incomes.

The Congressional Budget Office states that the package of a credible balanced budget plan would lead the bond market to bid down interest rates almost immediately.

New home buyers would be clear winners. If interest rates dropped only 1 percent, a young couple with a $100,000 mortgage would save enough over the life of that mortgage to put one of their children through college for a year without any help from the Federal Government.

Roger Brinner, chief economist with the forecasting firm of DRI McGraw-Hill estimates balancing the budget would raise America's yearly output an extra 2.5 percent over the next 10 years.

That would mean an average of an extra $1,000 a year for each American family. He adds that the economy would create 2.4 million more jobs by the year 2005 than if the deficit remained unchecked.

The General Accounting Office projects Americans living by 2025 would enjoy per capita incomes of $9,500 higher if Washington succeeds in bringing the deficit under control. Many analysts believe that the dollar slide in March was due to our failure to pass a balanced budget amendment. The U.S. dollar has rebounded in foreign exchange markets during the last several weeks, in part because of a growing belief among foreign investors that the United States is finally moving to put its economic house in order.

So, Mr. President, we must reject the ideas and practices of the past which have caused this problem. We must also reject the rhetoric which appeals to fear and prejudice and appeals to greed to use and consume everything we can get our hands on today and not concern ourselves with the future and the fact that it is our own children's birthright that we are consuming.

And so, Mr. President, let us get on about with what the people sent us here to do while it is still not too late to change our direction. We as Members of this body must have the courage to stand up to the demagoguery and any short-term political risk we might be taking by doing what we know is right.

I am firmly convinced ultimately the American people are willing to do what is necessary to ensure a brighter future for our children, and we must have the wisdom to follow them and the courage to lead them. I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank Senator THOMPSON.

We are going to enter a unanimous consent request.

Mr. EXON. May I suggest to my friend, possibly we can get started with Senator BUMPERS, and then I think we all know what the unanimous consent request is going to be. We can finalize it and type it up sometime during the debate.

Mr. DOMENICI. It is coming right now. I agree, we could probably stammer around and between us we might be able to articulate the unanimous-consent request.

Mr. EXON. As usual.

Mr. DOMENICI. I have difficulty with that. Let me just make sure we have it down.

Mr. President, I wonder, without detracting anything from Senator BUMPERS who is going to get 20 minutes very soon on his amendment and he can share that with Senator MURRAY, as I understand it, Senator STEVENS had a sense-of-the-Senate resolution cleared on both sides. I understand you all have cleared it. We cleared it.

Mr. EXON. The Senator is correct.

UNANIMOUS-CONSENT AGREEMENTS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Snowe amendment be laid aside until 8 a.m. tomorrow in status quo.

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

Mr. DOMENICI. Mr. President, I now ask unanimous consent that Senator BUMPERS be recognized to offer an amendment on which there be 20 minutes under the control of Senator BUMPERS and 10 minutes under my control; that no amendments be in order to the Bumpers amendment; and that when the Senate votes, it vote on or in relation to the Bumpers amendment.

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

Mr. EXON. Reserving the right to object.

I have no objection.

Mr. DOMENICI. Mr. President, I further ask unanimous consent that following the debate on the Bumpers amendment, Senator HATFIELD be recognized to offer an amendment.

The PRESIDING OFFICER. Is there objection to the request?

Mr. EXON. I simply say that this is going to go push things back a little bit. We are trying to accommodate everybody here at one time. Is the Senator insisting on making an agreement at this time to go back to Senator HATFIELD's amendment?

Mr. DOMENICI. Not back to it. He never offered it. That will be rotating, and he has received assurance from me for 36 hours that he was the next thing after the Snowe amendment. We did not know about the Senator's. That is to be put ahead of it, after the Democrat amendment. I must do that. I cannot agree on time, but I think it will be reasonable considering the circumstances.

Mr. EXON. Under the circumstances, we have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Mr. President, I wonder if the distinguished floor manager would be willing to also state that at the time the rollcalls occur on these amendments, that mine follow that amendment of the Senator from Maine, Senator SNOWE.

Mr. DOMENICI. What about following Senator FEINGOLD's?

Mr. BUMPERS. That is fine.

Mr. DOMENICI. Mr. President, I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Whatever the order is that the leader agrees to pursuant to the unanimous consent request, Senator BUMPERS will follow Senator FEINGOLD.

Mr. BUMPERS. I thought it would be better if rollcalls followed the sequence in which the amendments are offered.

Mr. DOMENICI. We do not know what is going to happen to Senator SNOWE's amendment. It could have second degrees.

Mr. EXON. Will the Senator, in order to keep the flow properly here, include as part of his unanimous-consent agreement that after the disposition of the Hatfield amendment that we would go back and meet a commitment that we have made through Senator BOXER on this side, and that her amendment would follow the discussion of the Hatfield amendment?

Mr. DOMENICI. So long as we make no agreements, other than that Senator BOXER is next, I so request.

The PRESIDING OFFICER. Is there objection to the several unanimous-consent requests?

Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask Senator BUMPERS if he could do me a special favor.

Mr. BUMPERS. If this amendment of Senator STEVENS has been cleared, that is fine.

Mr. DOMENICI. Without in any way changing the time allowed, I wonder if we could now recognize Senator STEVENS who has an amendment that has been approved on both sides. I will yield for 2 or 3 minutes and I ask that he be permitted to speak.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. I thank my friend. I am apologetic that I did not appear before. I had constituents here.

AMENDMENT NO. 1129

(Purpose: To provide for a sense of the Congress regarding full funding for Decade of the Brain research)

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for himself and Mr. DOMENICI, proposes an amendment numbered 1129.

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

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

The amendment is as follows:

At the appropriate place in Title III of the resolution insert the following new section:

SEC. . SENSE OF THE CONGRESS REGARDING FULL FUNDING FOR DECADE OF THE BRAIN RESEARCH.

(a) FINDINGS.—The Congress finds that—

(1) long term health care costs associated with diseases and disorders of the brain have a substantial impact on federal expenditures for Medicaid and Medicare, and on the earning potential of the Nation;

(2) to highlight the impact of brain diseases and disorders on the economy and well being of the Nation the Congress has declared the 1990's the Decade of the Brain;

(3) meaningful research has been initiated as part of the Decade of the Brain;

(4) if fully funded this research could provide important new medical breakthroughs; and

(5) these breakthroughs could result in a significant reduction in costs to the Federal Government.

(d) SENE OF THE CONGRESS.—It is the sense of the Congress that in furtherance of the goals of the Decade of the Brain the appropriate committees should seek to ensure that full funding is provided for research on brain diseases and disorders in each of the fiscal years to which this resolution applies.

Mr. STEVENS. I ask unanimous consent to add Senator DOMENICI as a cosponsor.

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

Mr. STEVENS. Mr. President, this deals with the decade of the brain.

Over 50 million Americans each year are affected by disease or disorders of the brain and central nervous system. The impact on society is approximately $300 billion a year. But even as scientific progress races ahead, public awareness is falling behind. The DANA Foundation has 10 attainable goals by the year 2000. These are;

First, the identification of the genes that are defective in familial Alzheimer's and Huntington's diseases.

Second, the identification of the genes responsible for manic-depressive illness.

Third, the identification of new medications and therapeutic strategies to reduce nerve cell death and enhance recovery of function after strokes and other forms of brain injury.

Fourth, the development of new drugs and other measures to alleviate the effects of multiple sclerosis, Alzheimer's, motor neuron disease (e.g. ALS, or Lou Gehrig's), Parkinson's, and epilepsy.

Fifth, the identification of new treatments to promote nerve regeneration following spinal cord and peripheral nerve injury.

Sixth, the development of new and more effective treatments for manic-depressive illness, anxiety disorders, and forms of schizophrenia that at present resist treatment.

Seventh, the discovery, testing, and application of agents that will block the action of cocaine and other addictive substances.

Eighth, the development of new treatments for pain associated with cancer, arthritis, migraine headaches, and other debilitating diseases.

Ninth, the identification of the genes that cause hereditary deafness and blindness.

Tenth, the elucidation of the neuronal mechanisms involved in learning and memory.

There have been many breakthroughs during the early part of the decade. Here are some of the recent discoveries or break-throughs;

Identified the genes responsible for Huntington's disease, Alzheimer's disease, and the familial form of Lou Gehrig's disease.

Produced new medications for migraine headaches.

Identified several genes that cause hereditary blindness and deafness.

Launched tests of new drugs to enhance recovery from stroke and spinal cord injury.

Produced new drug for the treatment of epilepsy.

Made significant progress in understanding the addictive action of cocaine.

CREB—a protein. One form of CREB turns on genes responsible for long-term memory storage, while another form turns them off. The activating form of CREB may dominate when important things are going on, and the memory-repressing form when unnecessary information needs to be filtered out.

CRIF—brain chemical that may eventually control stress. It is a chemical that suppresses the body's stress response. Researchers at the University of Pennsylvania are currently studying it.

Riluzole—An experimental drug that has shown some success in slowing the progression of the muscle-wasting Lou Gehrig's disease. This disease affects 30,000 people in the United States.

Congress first authorized and President Bush proclaimed the ''Decade of the Brain'' in 1990.

The growth in our knowledge of the brain over the last 5 years has exceeded anything we imagined.

Now at the midpoint of the decade, new discoveries about the brain offer unprecedented opportunities to both lower health care costs and improve the quality of life for those suffering from brain disorders and diseases.

The cost of neurological and psychiatric disorders currently exceeds $300 billion a year.

Brain diseases account for more hospitalizations and more prolonged care than almost all other diseases combined.

In the remaining 5 years of the decade, scientists are optimistic that even more important advances will be made in brain research.

We must continue to make this research a funding priority, so as to reap the benefits of the groundbreaking work already underway.

Over 50 million Americans each year are affected by disease or disorders of the brain and central nervous system.

Today 1 in 5 Americans is affected by brain disorders, and everyone over their lifetime will be affected either individually or because a member of their family is afflicted.

The results are often devastating.

We have made great progress in the past several years.

For example the simple step of a women taking folic acid vitamin supplements can prevent spina bifida, a disabling disease. This saves an enormous amount of pain and suffering for parents and children alike.

The medical cost for a child with spina bifida can exceed $500,000 a year.

We have also discovered new medications for the treatment of depression.

We have identified the genes responsible for Huntington's disease, Alzheimer's disease, and the familial form of Lou Gerhig's disease.

We have produced new medications for migraine headaches.

We have launched tests of new drugs to enhance recovery from stroke and spinal cord injury.

But there is much still to be accomplised.

Traumatic brain injury is the leading cause of death and neurological disorder among young Americans age 15 to 25.

Two million Americans a year suffer head injuries at a cost of more than $25 billion a year.

Since 1990 scientists have found that the permanent harm from traumatic brain injury increases with each hour and day after the injury.

This produces a clear opportunity to develop powerful new emergency treatments.

By the year 2000 effective therapies to limit brain damage now in human trials will be approved.

Increasingly sophisticated neuroprotective strategies will be introduced.

Alzheimer's disease may be the single most important area of societal need for biomedical research, according to the National Academy on Aging (June 1994).

Four million Americans a year and 20 million people worldwide are affected. The cost is more than $60 billion a year.

Since 1990 scientists have discovered three genes that contribute to Alzheimer's, identified key points where intervention might delay, or prevent it, and improved techniques for diagnosis.

By the year 2000 several new drugs will be identified as promising to interfere with the progress of Alzheimer's in order to delay its disabling symptoms for 5 years.

This would allow millions of people to remain living independent and fuller lives. The cost to the public would also be greatly decreased by this step forward.

Therapies to reverse the damage by replenishing lost cells or adding cells should begin to alleviate the suffering of those already affected.

More than 500,000 people are affected annually by strokes with 3 million people disabled. This cost is about $25 billion a year.

Strokes are the Nation's third leading killer.

Many patients survive stroke. There has been great progress since 1990. The number of strokes were reduced as some risks were clarified.

Doctors have adapted new preventive techniques.

New drugs have been developed for limiting and possibly preventing stroke damage.

One and a half million Americans are afflicted with Parkinson's disease. The cost is about $6 billion a year.

This disease is a slow progressive degenerative brain disease. Researchers have developed innovative ways to pinpoint damaged nerve cells.

By the year 2000 at least one and possibly several major new drugs will be in human trials.

Screening for Parkinson's is likely, and new gene therapy should be available.

I will include in the RECORD at the end of my statement an article from the Philadelphia Inquirer written by Dr. Leon Cooper, the winner of the 1972

Nobel Prize in physics, and James Watson, the winner of the Nobel Prize in medicine for 1982.

The article further expands on the importance of this research.

I will also include a summary of recent brain research by the DANA Alliance.

I would like to urge my colleagues to support this resolution which will ensure that this vital research is continued and that additional breakthroughs become reality.

I ask unanimous consent that the article by Dr. Cooper and the DANA Alliance summary be printed in the RECORD.

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

(By Leon N. Cooper)

The growth in our knowledge of the brain over the last five years has exceeded anything we imagined when Congress first authorized and President Bush proclaimed the ''Decade of the Brain'' in 1990. Now at the midpoint of the decade, we are on the threshold of a new era that holds great promise for individual health and vitality.

For all three stages of life—early development, maturity and aging—new and anticipated discoveries about the brain offer unprecedented opportunities to relieve suffering, improve the quality of life of those suffering neurological and psychiatric disorders, and lower health-care costs.

The question today is whether or not the American public through its elected representatives will continue to make brain research a priority, so as to continue to reap the benefits of the nation's spectacularly successful investment in basic research.

Neurological and psychiatric disorders together account for more hospitalization and more prolonged care than almost all other diseases combined. Patient care and social spending caused by brain-related disorders represent a disproportionate amount of all health-care costs.

In part because of prior successes of medical research, we have become very good at keeping people alive to older and older ages by treating or preventing respiratory, circulatory, reproductive and other assaults. But our aging population presents increasing challenges to the health-care system because of the vulnerability of the aging brain.

In the remaining five years of this decade, scientists are optimistic that even more exciting advances will be made across the broad front of brain research. Work just coming off laboratory benches should enable us to intervene early in or medicate some of today's incapacitating brain diseases and disorders.

Brain-related disorders cost this country billions of dollars per year for patient care, hospitalizations and loss of savings. These costs could be significantly lowered if we could effectively treat the disorders, some of which began at or before birth and may last a lifetime.

A new report by the Dana Alliance for Brain Initiatives—an organization of 135 neurosurgeons who champion research in the field—offers a few examples of impressive gains in various areas that we may see during the rest of this decade if adequate support for research continues:

Childhood: More effective treatments for muscle spasticity in cerebral palsy and the prevention of a significant proportion of CP cases arising from low birthweight. The development of new medications for schizophrenia. The identification of several more genes that contribute to inherited forms of blindness, deafness and mental retardation.

Adulthood: New insights into the cause of multiple sclerosis and the testing of new therapeutic approaches that alter the natural course of the disease. Understanding the molecules in the brain to which drugs of abuse bind should make it possible to develop more effective cocaine-blocking agents. Improved clinical care has already increased the proportion of patients with spinal-cord injuries who are able to return to their communities; this should continue and, in time, lead to the first effective methods to repair the injured spinal cord.

Later years: Our growing knowledge of genetics and pathology of Alzheimer's disease should allow us to rationally design drugs to treat the disease. Some of those drugs may well be in clinical trials before the end of the decade. A cell transplant therapy for Parkinson's disease will probably emerge as a practical procedure for individuals who do not respond to L-dopa treatment. New drugs that increase resistance to brain-cell damage in cases of stroke will be available and begin to be tested in clinical trials.

What do these advances hold for average Americans? The same kind of hope and solace that members of Congress would wish for their own families and for themselves.

Ask Sen. John Rockefeller (D., W.Va.) what it means to watch the relentless destruction of a parent from Alzheimer's disease or Sen. Arlen Specter (R., Pa.), who underwent surgery for a brain tumor.

But it would be impossible to talk to all those members of Congress who have known the heartbreak of substance abuse by a family member, or the agony of manic-depressive illness, or the frustration of children with learning disabilities, or developmental disorders. They would tell you how they want these agonies banished from their lives forever.

What all these illnesses and difficulties have in common is that they all involve the brain, and only brain research can unlock the secrets that will give those who suffer from these disorders (and their families) some hope.

Sen. Mark Hatfield (R., Ore.), when announcing the introduction of the ''Mo Udall Bill'' to fund Parkinson's research, personally lamented the fact that federal dollars for basic medical research are proposed to decrease in the administration budget by more than a billion dollars by the year 2000.

Is that the message to the research community—that what has already been achieved in brain research, and what you are confident of achieving in the near future is not a national priority?

No one doubts that neuroscience's achievements to date are just the vanguard of even greater discoveries to come. The explosive growth of technology—particularly imaging—is providing unprecedented insight into the brain.

The exciting developments in genetics will benefit brain research perhaps more than any other area of medicine, since about half of all our genes are involved in the development and operation of our brain.

The message of the Dana Alliance report—to be presented in Congress tormorrow—is one of opportunity and hope. What will be Congress' message to the scienific community?

DELIVERING RESULTS: A PROGRESS REPORT ON BRAIN RESEARCH

SUMMARY

The most important and productive medical research happening today is the study of the brain. Since the Federal government declared the Decade of the Brain in 1990, researchers have solved some of the most stubborn riddles of the brain, and have created and improved treatments for the disorders that afflict it. The stunning progress of the last five years gives future researchers a higher vantage point on which to stand while scanning the horizon for cures.

How does this affect you? One in five Americans is struggling with a brain-related problem at any given time; each of us will face such a struggle at some time in our lives. It may be pain, depression, memory loss, or one of the many problems like these that can be chronic and recurring. It may be swift, like head injury and stroke; or it could be degenerative and fatal, like Alzheimer's and Huntington's diseases. Or a lifetime of anguish could result from a child or grandchild's battle with addiction or schizophrenia. Some of these afflictions are life-ending; all of them are life-diminishing. The cost in personal terms is beyond measure, in hard economic terms, it is more than half a trillion dollars a year.

But now, the human brain is no longer a ''black box''—the misunderstood and mysterious source of self, its maladies misdiagnosed and undertreated. Today, at the midpoint of the Decade of the Brain, it is clear that a new era has begun for individual health and vitality. For all three of the major stages of life that you and your family will experience—childhood, adulthood, and the later years—discoveries about the brain's mechanisms, how it forms, grows and ages, how to heal and strengthen it, are raising our expectations for dealing with brain-related difficulties, giving you the realistic chance to avoid suffering.

If your maternal grandmother died with dementia, the most common symptom of Alzheimer's, should you worry that your later years will be marred by this disease? Scientists are discovering ways to find out. Also, by the time you reach the average age of onset, these same scientists could be able to fend off the disease.

The causes of cerebral palsy, retardation and learning disabilities are being revealed, increasing the chances that it will be possible to prevent these horrible conditions in your own children.

The discovery of drug binding sites in the brain is enabling researchers to work towards potential treatments for addiction, so that the lure of drugs will be much less likely to steal the youth, or the life, of someone you love.

Most of the brain afflictions that can severely alter your life, by affecting you or someone close to you, are yielding to researchers. For all those who cry, ''Why me?'' when they are confronted with a brain disease, scientists are approaching the day when they will be able to answer. As the progress snowballs, and the discoveries come more quickly, the likelihood of your life being destroyed by a neurological ailment continues to shrink.

Beyond the personal aspects, our nation itself has a massive stake in brain research. Today, neurological and psychiatric disorders together account for more hospitalizations and more prolonged care than almost all other diseases combined. No surprise there: Over the last hundred years, we got better at keeping people alive and ambulatory as far as their respiratory, circulatory, digestive and reproductive systems were concerned, but we were stymied by the brain.

Now neuroscience is catching up. In the next five years, we will help brain and nervous system patients in large numbers, and because these patients number in the millions of people, developments in brain science will transform our assumptions in planning for the future. In particular, at the

societal level, the view of crippling, chronic, long term, and mental illnesses will be much different.

When the expanding numbers of aging Americans have less to fear from the brain diseases of aging, and when disorders that begin at or before birth, and last a lifetime, are progressively fewer and less disabling, then the lost work days (by patients and those who care for them) will fall, and leisure activities will rise. Reduced social spending, decreased work absences and improved quality of life all give relief to a troubled economy.

The achievements outlined in our report, however, are just the vanguard of greater things to come. One of the most significant facts about the progress we have made in brain research is that more brain scientists today are working on questions of basic science. This accounts for the diversity of disorders we have been able to address in such a short time. Clinicians focusing on specific diseases now have better odds of finding the keys to the disorders they are researching because there is so much more information to draw upon.

That is precisely what makes brain research so exciting. We understand it better each day. And because of that, we will solve problems of affliction that have truncated our lives since the dawn of humankind. Everything lying ahead of us is opportunity and hope.

Here are some highlights of the progress report, and some predictions for the next five years. Join us in celebrating the hope offered for current and future victims of brain disorders:

CHILDHOOD

Researchers believed that a major reduction of spasticity in cerebral palsy and prevention of one-third of all CP cases arising from low birthweight will occur within five years.

New findings point to a family of drugs that may correct drug-induced developmental abnormalities in children.

Thanks to recent public health studies, psychiatry now classifies schizophrenia as a developmental disorder, and promises more effective medications by the year 2000.

Researchers identified genes that contribute to inherited forms of blindness and deafness and several forms of mental retardation, including the most common inherited form among males (Fragile X Syndrome). Growing evidence suggests that genes also play a role in learning disabilities and schizophrenia.

ADULTHOOD

The first drug to block craving in alcohol addiction—Naltrexone—has recently been approved as an adjunct to psychotherapy.

Success in treating depression now approaches 90% with more precise antidepressant drugs which avoid unwanted side effects.

Obsessive-compulsive disorder has become treatable.

For the first time ever, researchers have identified a treatment (and are testing another) which alters the natural course of multiple sclerosis.

Researchers have identified the sites where drugs of abuse bind in the brain, and by 2000 hope to have effective cocaine-blocking agents.

Recent refinements to treatments leave many more epileptics seizure-free.

Discovering serotonin-responsive proteins led researchers to develop sumatriptan, an effective treatment for migraine headaches.

Improved clinical care now returns some 94 percent of patients with spinal cord injuries to their communities. Researchers may have the first treatment to enhance spinal cord repair by 1996.

Genetic research has identified specific genes that cause Huntington's disease and familial Lou Gehrig's disease. New findings show that genes may also play a role in addiction, manic-depressive illness, depression and epilepsy.

THE LATER YEARS

Several genes have been found that lead to Alzheimer's disease. Cognex (tacrine), approved in 1994, is the first drug for treating Alzheimer's symptoms. A combination of genetic testing and position emission tomography (PET) scanning may yield an early diagnostic test for Alzheimer's. Also possible: an eye-drop diagnostic test and a spinal fluid analysis test.

The first animal model of Alzheimer's disease (a transgenic mouse) has recently been produced, and it is already being used to test drugs to slow the progression of Alzheimer's.

An effective approach to gene therapy for Parkinson's disease will emerge before 2000. Relief from Parkinson-like symptoms has been achieved in monkeys using dopamine-enhancing drugs.

A new bloodclot-dissolving drug can improve the outcome of stroke, if administered within two hours of onset.

A chili pepper extract, capsaicin, now helps relieve chronic pain (even in cancer). Within five years, scientists expect to have developed non-addictive pain relievers.

Recently discovered proteins that nourish, repair and promote the growth of nerve cells are leading to drugs (some already in trials) that increase resistance to stroke.

TECHNOLOGY

Imaging:

Now, functional magnetic resonance imaging (fMRI) allows doctors to view the active brain, and at their desktops to interactively scan entire brain structures.

Using charged Xenon gas, laboratory scientists improved MRI signal strength by a factor of 10,000, producing more clearly defined pictures in animals.

Disease models:

Scientists are working with living organisms in laboratory settings to test compounds and find new directions for investigation. Animal models available today include:

Alzheimer's disease
Developmental disorders
Several different forms of epilepsy
Multiple sclerosis
Pain
Traumatic brain injury

SOURCES FOR NUMBERS

THE DEVELOPING BRAIN

Developing Disorders (cost and patients): National Institute of Neurological Disorders and Stroke, 1993.

Schizophrenia (patients): National Institute on Mental Health, Update August 1993.

Schizophrenia (cost): NIMH, 1995.

THE MATURE BRAIN

Blindness/vision loss (cost and patient numbers): National Eye Institute, 1994.

Deafness/hearing loss (patients): National Institute on Deafness and Other Communicative Disorders, 1992.

Deafness/hearing loss (cost): Hallworth, R, et al. ''Hair Cells and Hearing'' Press Conference, Society for Neuroscience Annual Meeting October 26, 1992.

Depression (patients): National Institute on Mental Health, Update August 1993.

Depression (cost): Rice, Dp and Miller, LS. ''The Economic Burden of Affective Disorders'' Advances in Health Economics and Health Services Research 1993.

THE AGING BRAIN

Alzheimer's Disease (patient numbers): ''News Notes.'' National Institute on Aging, 1989.

Alzheimer's Disease (cost): National Institute of Neurological Disorders and Stroke, 1993.

Mr. STEVENS. I commend to the Senate the decade of the brain and urge the Senate to become familiar with what is happening in this research area. My amendment merely assumes that we will continue this support, this endeavor, the research of the decade of the brain in the last half of this decade as we have in the first. I ask that the amendment be agreed to.

The PRESIDING OFFICER. Is there further debate?

Mr. EXON. I think the matter has been cleared on both sides. I urge its adoption.

The PRESIDING OFFICER. If all time is yielded back, the question is on agreeing to the amendment.

The amendment (No. 1129) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Under the previous arrangement, I believe the Senator from Arkansas is finally ready to be recognized.

AMENDMENT NO. 1130

(Purpose: To strike the proposed change in the budget process rules which would permit the scoring of revenue derived from the sale of federal assets)

Mr. BUMPERS. Mr. President, I must say, sitting around here all evening waiting to offer an amendment can be a very frustrating experience. I have concluded that this is no way to run a railroad. I have watched this process now for 5 days and I have listened to a lot of powerful speeches. There are plenty of opportunities for press releases back home proving that you are a budget deficit hawk.

But as a result of that, there are a lot of good amendments that are not going to be debated because we are running out of time tomorrow. This process should permit those people who have honest-to-goodness, legitimate amendments to offer and debate them. We should have a lot less—in this case about 30 hours—of political speeches. When debate on the budget resolution is complete, there are going to be a lot of amendments, many of which that would have improved the budget resolution, that will fail because their proponents will not have had time to present their case to the Senate.

Mr. President, I do not know of a single amendment that has been offered on this side of the aisle that would increase the budget $1. We have tried to rearrange some of the priorities, but we have not tried, and would not try, to torpedo the legitimate goal of trying to balance the budget by the year 2002.

My own amendment, Mr. President, goes to a rule change that is proposed in the budget resolution that I think is disastrous. This proposed rule change involves the sale of assets that belong

to the United States, where the taxpayers get a one-time windfall. The rule change would permit revenues derived from the sale of these assets to be scored for Budget Act purposes.

When I was Governor, we had revenue sharing. The Senator from Kentucky seated here was Governor of his State at the same time I was, and the distinguished ranking member of the Budget Committee was Governor of his State. Three Governors here on the floor tonight who served together.

One morning I went to my office and there was a check on my desk for $21 million made out to DALE BUMPERS. I told my aide, ''Call the airport, tell them we will be there in 15 minutes.'' And $21 million was the first revenue-sharing check we got.

I sent it to the Arkansas Highway Department because I knew they would use it for things that would only be a one-time shot. To put that $21 million into the operating budget would have been irresponsible. I knew revenue sharing at some time was going to end and I would have had to raise taxes to continue the services that we were providing with that $21 million.

I do not believe there is a single Governor in the United States that would take a one-shot windfall amount of money and put it into an operating budget. It is lunacy to do it.

In 1987, the U.S. Congress, under Gramm-Rudman-Hollings II, adopted the proposition that revenue derived from asset sales would not be scored. In short, the rule was intended to prevent the use of asset sales for operations.

Since 1986, every budget resolution that has come to the floor of the U.S. Senate and been adopted by both Houses of Congress said specifically that revenue derived from asset sales could not be used to offset the deficit. In other words, revenue from asset sales could not be scored.

Yet here we have a proposed budget which changes this long-time sensible rule and assumes the sale of a whole host of Government assets, including the Presidio, an Army base in San Francisco; the strategic petroleum reserve, the Naval petroleum reserve; the Arctic National Wildlife Refuge in Alaska.

Now, Mr. President, my amendment would simply strike one section in the budget resolution in order to restore the old rule which prohibits revenue from asset sales to be scored.

Mr. President, I have no objection to asset sales per se. We sell assets all the time. My amendment does not suggest that we cannot sell an asset. However, it suggests we cannot come in here with a big platter full of asset sales in order to balance the budget, where the Senate has not debated those items and simply say, ''Here's $4 billion in deficit reduction.'' The budget resolution assumes that we will sell thousands of barrels of oil we have in the strategic petroleum reserve. It anticipates the sale of the Presidio in San Francisco, and that will never fly because San Francisco has so many ordinances nobody would give anything for it because it will never be able to be developed.

If the proposed change in these longstanding budget rules is permitted to take place, let me tell Members where we will be headed. First of all, every budget reconciliation bill that comes before this body is going to have a whole host of asset sales.

We are going to have a national yard sale. National parks, wildlife refuges, national forests, highways, power marketing administrations, water projects—all up for sale in order to balance the budget.

Many asset sales do not even make financial sense. Assume we get $1 billion for the sale of the power marketing administrations. We cut the deficit $1 billion in 1996. If you assume that these assets, if retained under Federal ownership, would produce $100 million a year in revenue, by the year 2020 we will have lost revenues of $2.5 billion in exchange for the one-shot deal in 1996. No businessman in his right mind would do such a thing.

Mr. President how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 14 minutes and 50 seconds.

Will the Senator send the amendment to the desk?

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. BRADLEY, Mrs. MURRAY, Mr. LIEBERMAN, and Mr. BAUCUS, proposes an amendment numbered 1130.

The amendment is as follows:

Strike line 7 on page 76 through line 12 on page 77.

Mr. BUMPERS. Mr. President, the House had a budget task force which recently adopted a Heritage Foundation recommendation that we should keep only those national parks and wilderness areas of national significance. It may be that the senior Senator from Alaska seated on the floor and his junior colleague may decide that Denali is not of national significance and throw it in the budget reconciliation bill—it would be gone.

If we are only going to keep national parks and wilderness areas of national significance, who is going to decide that? Congress? It will be very tough if the budget is in dire need of revenue and no one wants to raise taxes. Here is where we could wind up.

First of all, we could make the Grand Canyon available for sale. That could be the first to go.

Then take Mount Rushmore. I have been out to Mount Rushmore. They have a thriving number of visitors out there. I think we can probably put a McDonald's and maybe a Marriott there at Mount Rushmore. There is no telling what that place would bring.

After we get rid of Mount Rushmore and Grand Canyon, here is the jewel, we would sell the Statue of Liberty.

Now, Mr. President, that all sound very humorous. There is absolutely no reason whatever under this budget resolution, which allows the scoring of revenue from the sale of national assets, to believe that some things just as precious as the Statue of Liberty will not be put on the auction block.

Last year I was Chairman of the National Parks Committee. I went out to see the Presidio. I had never seen it except at a distance. It is one of the most remarkable pieces of property left in the United States and certainly the most remarkable piece of property left in an urban area. Here we have already put it up for sale. Who knows where we go after that?

Mr. President, I have offered the Bumpers-Bradley-Murray amendment this evening not only because the proposed rule change in the budget resolution would permit the sale of our national treasures, but because it is also bad economic policy, bad social policy and bad culture policy. We ought not to do it. We have lived very well for 205 years without trying to balance the budget by selling assets.

Finally, my amendment does not alter the bottom line of the budget resolution one bit. The Energy and Natural Resources Committee would still be required to find whatever amount of money the budget resolution instructs the Committee to find.

I can tell you, Mr. President, again, you put this proposition to the people of this country, Do you think we ought to start selling off wilderness areas, national forests, some of our treasured national parks? I can just see it now. You cannot see all the Grand Canyon from the rim. We need a highway down through it so you can really enjoy it.

We need a new Holiday Inn down at the bottom of the Grand Canyon so we can make more money.

These things are disastrous.

I hope a majority of the Senate tomorrow morning, when we vote on this, will agree that this is a terrible, terrible change in budgeting. It is a terrible change in national policy.

I yield 5 minutes to my distinguished colleague from Washington, Senator MURRAY.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I rise in support of the amendment offered by the Senator from Arkansas.

The budget resolution before us has been termed an historic document. It certainly is. For the last decade, the Congress of the United States has recognized that our public lands are too precious to sell unless their sale is in the best interest of the public. That is good policy and one that has enjoyed strong bi-partisan support.

But it is a new day. Today, we may well vote to sell our children's heritage to pay our debts. I reject that approach

to debt reduction and I reject that approach to disposition of our Federal assets.

What is at risk? Potentially on the sale block are assets ranging from oil supplies beneath the Arctic National Wildlife Refuge; to battlefields reminding us of the pain and sacrifice of the Civil War; to Power Marketing Associations that provide hydroelectric energy, transportation, and resource protection; to endangered wildlife living in our National Wilderness Preservation System; to toll-free interstate highways present in every State in the Nation; to public timber sold primarily to small businesses dependent upon National Forests for their wood supply.

These assets should not be sold to reduce the deficit. And they, certainly, should not be sold to provide a tax cut to wealthy Americans. Instead, our Federal assets should be sold only when, after reasoned debate and a full public airing, we decide their sale is in the best interest not only of this generation—but of every generation that follows. We owe our children much more than a balanced budget. We owe them their heritage.

I urge my colleagues to vote first for Senator BUMPER's amendment precluding scoring of the sale of all Federal assets.

While I have the floor I want to just mention two other amendments I will be offering tomorrow that my colleagues will be voting on.

SENSE OF THE SENATE RESOLUTION ON IMPACT AID

Mrs. MURRAY. Mr. President, tomorrow I will send an amendment to the desk.

Mr. President, my amendment is a sense-of-the-Senate that the Federal Government should live up to its responsibility to educate the children of our women and men in uniform through the impact aid program.

At this point, I would like to ask unanimous consent to add my good friend, the Democratic leader, Senator DASCHLE, as well as Senators PRESSLER, AKAKA, HUTCHISON, LEVIN, BINGAMAN, PELL, DORGAN, BAUCUS and KERREY of Nebraska as cosponsors.

Mr. President, you see, this amendment enjoys strong bipartisan support because the impact aid program is a vital component of the education portfolio of 48 States.

It has strong support because Senators on both sides of the aisle know how important this program is to their States and to the country.

More than 40 years ago, the Federal Government established the impact aid program.

Forty years ago—great, forward-thinking legislators recognized that the Federal Government has a responsibility to communities which have been adversely impacted by Federal activities.

Mr. President, this is exactly the underpinning of the legislation we passed earlier in this Congress. The unfunded mandates bill corrected a large-scale shift of costs from the Federal Government to the States and to local communities.

Impact aid is a good program for States—it lives up to the true spirit of local control of education.

Unfortunately, the Federal Government has not been living up to the spirit of the Impact Aid program.

Funding levels for impact aid have been so far below authorized levels that we have unfairly shifted a large portion of funding for Federally connected students to local taxpayers.

The end result is that, now—in many States—this program covers less than half of the costs to educate each student. The Federal Government has just been shifting its responsibility to the States to make up the difference.

Mr. President, when I review the last several years of funding and rescissions, I am outraged with the trend I see developing—we have been abandoning responsibility to our kids by cutting funds for this program.

And, there is no question that the importance of this program has increased over its 40 year history.

Its importance has increased not just because it directly affects over 2 million students in our Nation—but also because of the tight budgets facing our States today.

And, some States—such as my home state of Washington—do not rely upon an income tax for State funding. You see, Mr. President, the loss of property tax revenues makes State and local education funding even more difficult.

Mr. President, let me take a moment to tell you about a school district near Tacoma, WA—it's called Clover Park.

Fort Lewis is in the Clover Park school district. Women and men in uniform are assigned by the Federal Government to serve our Nation there. And, their kids—like all American children—deserve to be educated.

They should not be abandoned because their parents live on Federal property.

Impact Aid makes up 7 percent of Clover Park's budget. In Clover Park, this money goes directly to the school district and is free of bureaucracy.

It provides basic support to the school district whose local school board determines how to use the funds.

Now, Mr. President, if impact aid funds were cut off, school districts would have to increase taxes in the Tacoma community. Or, Clover Park would have to cut teachers and close buildings. Or, the schools would have to double-shift students.

That is wrong. That is a total abdication of the Federal responsibility to our kids.

Of course, we all recognize the budget constraints facing the Federal Government today.

I know tough choices must be made.

However, Mr. President, I believe we can achieve meaningful deficit reduction without passing on this huge unfunded mandate. And, without compromising our responsibility to our schools and our communities.

Mr. President, I want to be sure that adequate resources are put into impact aid. And, this sense-of-the-Senate reconfirms our commitment—on both sides of the aisle—to making that happen.

I urge my colleagues to join our bipartisan coalition and support this amendment.

CHILDREN'S HEALTH INSURANCE

Mrs. MURRAY. Mr. President, tomorrow I will send an amendment to the desk. My amendment is very straightforward.

It allows the Senate to think twice before we pass reforms to the Medicaid system that would result in more uninsured American children.

This amendment does not call for one dime of new spending. It is, by definition, revenue neutral.

This amendment simply creates a point of order against any legislation which would cause children currently eligible to receive Medicaid to lose their health care benefits.

And, that point of order is easily waived by a simple majority vote.

Mr. President, as you know, this year, the Medicaid program covers health care services for over 36 million low-income Americans.

Close to half of those Americans are children. Children who have no access to health care insurance on their own. Children with complex health care needs. And, children, I will say, Mr. President, who don't have well financed lobbyists up here fighting for their interest.

Most of the children covered by Medicaid live in low-income, working families.

Mr. President, we are talking about families who have to choose between putting food on the table, or getting health care treatment for their child.

I have visited Children's Hospital in Seattle many times.

Mr. President, I have witnessed firsthand the decisions these parents face.

A typical family on Medicaid is a young, happy family, whose life is suddenly disrupted when they find out their child has been diagnosed with cystic fibrosis or leukemia or severe asthma or cancer.

One parent has to quit his or her job to stay home and take care of the child. On just one income, family finances become increasingly difficult.

Soon the health insurance runs out, and the family is forced to spend down to be able to receive Medicaid, just so their child can receive critical medical attention.

The cost of care for the child will be passed along to the American taxpayer. Doctor and hospitals will simply raise their rates. Insurance companies will do the same.

Everyone agrees that there are problems with the Medicaid system that need fixing, and everyone agrees with the need to reduce the Federal deficit.

But, I am concerned that we don't become lulled by the mantra of cut, cut, cut.

As the Congress cuts spending, I just want to make sure we raise a red flag when children's health care is concerned.

Medicaid is every child's health insurance safety net.

My amendment just makes us think twice before we yank that safety net away.

You will hear some arguments against my amendment today, arguments that—frankly—make little sense.

You will hear that this amendment is impeding deficit reduction, and impeding the actions of the Senate.

On the contrary, the point of order in this amendment can be waived by a simple majority vote—just 50 votes.

We have points of order against the mandates of environmental laws—I just want to make sure we have a point of order to protect the most vulnerable of our population—our children.

You will also hear that this amendment says that we do not trust our Governors to protect children when Medicaid is block granted. Trust?

Block grants, by definition, shift all responsibility to the States. If any kind of emergency or disaster happens in a State, such as an earthquake in California or flooding in the Midwest.

I just want to make sure our overburdened Governors do not allow health care for our children to go by the wayside. This amendment simply makes us think twice about children.

This is not a question of trust—it is a question of insurance. That is all.

Finally, Mr. President, you will hear that this issue will be dealt with in the Finance Committee after the budget resolution is passed.

We listened to a prolonged debate this morning on the EITC—which will also be a topic in the Finance Committee's deliberations. If today is a good day to talk about EITC, today is a good time to talk about children's health insurance.

Let me conclude with a few words about priorities.

When I offered this amendment in the Budget Committee, we were immediately subjected to a lengthy diatribe by the other side that sounded more like Presidential campaign speeches than a statement about our children's health insurance.

That happens all too often. As soon as we talk about children, the debate is trivialized. The discussion is kidnapped.

And, so, I stand here again today and ask—what better time is there to talk about the future of our children than during this historic debate?

We need to know if actions we take here today will hurt our children.

My sincere goal with this amendment is to look out for the most vulnerable of our population.

I know they do not vote. I know they do not give money to political campaigns. But they continue to get sick because their parents cannot afford to get them vaccinated.

Congress cannot turn its back on its children.

My amendment simply ensures that before Congress makes any changes to the Medicaid system, we will take a hard, thoughtful look at the possible damage these changes will cause.

Let us put a little bit of conscience back into this budget.

Let us protect our future.

Let us protect our children.

I urge all my colleagues to join Budget Committee members on my side of the aisle and agree to this amendment.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I ask unanimous consent I be allowed to take 2 minutes from the time controlled by this Senator, to briefly speak on the subject at hand.

I first would like to ask if the Senator from Arkansas has added me as a cosponsor to his amendment or not? If he has not, I would like to be added as a cosponsor.

Mr. BUMPERS. Mr. President, I would like to add Senators MURRAY and BRADLEY as my chief cosponsors, the Senator from Nebraska, Senator EXON, Senator WELLSTONE, Senator BOXER, Senator FEINSTEIN—all as cosponsors.

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

Mr. EXON. I also ask unanimous consent I be added as a cosponsor to the amendment just addressed that the Senator will be offering tomorrow, the Senator from Washington, with regard to impact aid.

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

AMENDMENT NO. 1130

Mr. EXON. Mr. President, I support the amendment offered by Senator BUMPERS to strike the changes made to the asset rule in the budget resolution. The recent push to sell off physical assets in an effort to generate short-term budget savings is not a wise move.

The asset rule was put in place in order to discourage these sorts of proposals which do not result in any structural decline of the deficit. In fact, many of the recommendations included in this budget resolution will not yield any budget savings over the long term.

The savings resulting from the selling off of physical assets in this resolution will end up generating only $3.5 billion in receipts over the next 7 years. Many of these proposals end up costing the Government money in the out-years.

I hope my colleagues on both sides of the aisle will support this effort to rid the use of this sort of budget gimmickry in an attempt to balance the budget.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I believe there is 10 minutes reserved on this side. I yield myself 5 minutes to begin with.

Is there not 10 minutes reserved for this side?

The PRESIDING OFFICER. That is correct.

Mr. STEVENS. Mr. President, I am reminded of what President Reagan said once, ''Here we go again. Here we go again.''

I have just heard these speeches that sound as though this is something that has been dreamed up by this side of the aisle. The President requested this. Is the other side of the aisle going to abandon the President again? The President asked for $8 billion in his budget. He specifically asked for this language. This language is the President's language.

What does it do? It allows scoring of the sales of assets that are already authorized by law to be sold.

I would be ashamed to come here with pictures of places in this country that are loved by all citizens, and imply that anything in this budget resolution will sell one national park or refuge. It is an authorization to score the sale of assets. It is necessary to carry out the President's budget. It is also a fact that people have used this budget gimmickry to prevent the leasing of 1.5 million acres on the North Slope of Alaska, one of the last great deposits of oil and gas in the United States, because it is considered to be the sale of an asset when it is leased.

The Arctic coastal plain must be authorized by law to be leased. It has already been subject to three environmental studies. There is no opposition that I know of to the concept of the Mineral Leasing Act. That law has already been passed. This land should be leased.

Oil and gas leases are called a sale under the concept of the Budget Act. And since you cannot score that sale, the act of leasing costs money and, guess what, that prevents us from proceeding to lease the land because you cannot score the money that comes in from the lease. But it costs you money to lease it. An absurd conclusion.

The President came in and asked for a change in this law. He asked that we change this in his budget this year and he assumed $8 billion in asset sales—that must be authorized by law—as part of that budget. I notice the picture of the Grand Canyon is right-side-up now, but even so the Grand Canyon, if someone wanted to propose to sell it, they would have to come here and secure the passage of a law. The things the President wants to sell must be authorized by law to be sold. What we want to lease in Alaska must be authorized by law to be leased. I never have heard such a ludicrous argument in my life.

I have seen some of this stuff from the extreme environmental organizations that send this baloney all over the country and charge people fantastic sums of money. They rival the AARP in terms of the way they raise money and really convince people they are doing good when they are really paying themselves and sending these stupid letters out that imply that

somehow the President wants to sell the Grand Canyon. It is the President's language. It is not my language. It is not the Alaskan language. It is the President's request.

I cannot believe what I am hearing on the floor of the Senate. I really cannot.

Why do you not recognize the income from the sale of assets? The lease of the Alaska oil reserve lands would bring in over $1.4 billion in a 4-year period. If it is leased that is money that comes into the Federal Treasury. It is not a sale. It is what is paid for the privilege of producing oil and gas from Federal lands.

Somehow or other, people have assumed that there is something sort of seditious in this concept of the President's, that we are going to count money that comes into the Treasury as money.

I have heard arguments on the floor of the Senate that embarrassed me before but I am embarrassed for those who offer this amendment.

In the first place, they attacked their own President, not us. In the second place, it makes no fiscal sense to say when we sell an asset that produces billions, that we have to go out and borrow money in order to balance the budget because we cannot count that money that comes into the Treasury—not in a budget sense. It is there in a physical sense but it is just added to the Treasury. You cannot count it under these stupid budget rules that finally even the President of the United States recognized are just that. They are stupid. It is time to change them. It is time for us to stop this Mickey Mouse business.

Look, a ''For Sale'' sign on the Statue of Liberty. Would the President suggest selling the Statue of Liberty? Have we suggested selling Mount Rushmore? My God, I really cannot believe the depth of this argument, when it comes down to just say anything to scare people throughout the country. ''We are going to sell the national parks.'' It is stupid.

The PRESIDING OFFICER (Mr. ASHCROFT). The time of the Senator has expired.

Mr. EXON. Mr. President, I yield myself 2 minutes off the time of this Senator.

I would simply correct my friend from Alaska. The President of the United States, in his budget, suggested selective sales, including the Power Marketing Administration. This Senator and many on this side strongly disagree with the President on the selling of the Power Marketing Administration.

We went down and had a meeting with him and we will fight that here and we will fight it all the way through this budget process. Certainly I think we can disagree. I believe the Senator from Arkansas made it very clear in his remarks that he realizes we are not suggesting this, but the main thing the Senator from Alaska is overlooking is the proposition in this budget changes the rules that could allow this to happen. They cannot happen under the rules the way they are.

We objected to the President of the United States, our President, as you say, doing that. And we certainly object to the Republican Budget Committee going along in unison with the President of the United States, which in and of itself is quite unusual.

We oppose your doing it. We opposed the President in doing it. And we hope we are alerting the Senate of the United States to this serious mistake.

I reserve the remainder of my time and I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. EXON. Mr. President, how much time does the Senator wish?

The PRESIDING OFFICER. The Senator from Arkansas has 6 minutes.

Mr. EXON. I am sorry, I thought the Senator was out of time.

Mr. BUMPERS. Mr. President, the Senator from Alaska misunderstands what this debate is about. It is not about what the President recommended. I could not disagree with the President more. I went down to the White House and told him, along with the Senator from Nebraska and a host of others. This is bad policy and I told the President that. He is my friend but that does not mean I have to agree with him on everything and he understands that better than anybody.

The fact that the President has proposed asset sales in his budget does not make it good policy. It is bad policy. I do not care who recommended it.

The Senator from Alaska says he is embarrassed. He is embarrassed by this amendment. What we are trying to do is to restore the law where it has been for 10 years. I never heard the Senator from Alaska in the last 10 years say under the budget rule not scoring assets was an embarrassment. Now it is an embarrassment. The Senator from Alaska is my friend. He has been trying to get ANWR opened up for oil drilling since, as we say, ''the memory of man runneth not.'' I am not for it, and I don't expect to be for it in the foreseeable future.

This resolution assumes that we are going to charge the oil companies $1.4 billion over the next 7 years for the right to drill in ANWR. What do you do after the scoring period to make up for the lost oil after the first 7 years? You are going to cut discretionary spending again.

The budget resolution assumes $1.4 billion from the sale of the power marketing administrations. That is a bad proposition from a business standpoint. No businessman in his right mind would decide whether to sell an asset by only considering the lost revenues associated with that asset for a period of 7 years.

I will tell you something. If you are willing to sell the Presidio, the Grand Canyon cannot be very far behind.

So, Mr. President, I plead with my colleagues not to buy into this idea that you can take these one-shot, one-time windfalls from the leasing of the Arctic National Wildlife Refuge, the selling of the Presidio, the selling of these power marketing administrations.

As I said in the opening of my remarks, my amendment does not preclude asset sales. It simply says deal with them in the usual course of business and do not score them for budgeting purposes.

I am not only not embarrassed, I have never been prouder of an amendment.

Mr. BUMPERS. Mr. President, is it in order now, before using all of my time, to 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. BUMPERS. Mr. President, I yield the floor and retain the remainder of my time.

Mr. STEVENS. How much time is remaining?

The PRESIDING OFFICER. The Senator from New Mexico has 5 minutes, and the Senator from Arkansas has 1 minute 48 seconds.

Mr. DOMENICI. Out of the 5 minutes, I yield 3 minutes to Senator STEVENS from Alaska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I ask unanimous consent to put in the RECORD section 5 of the President's bill indicating how he would treat the proceeds from the sale of transfer of lands under his proposal.

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

PROCEEDS

SEC. 5. Proceeds from a sale or transfer under this Act shall be recited to miscellaneous receipts of the Treasury. If the President so designates, the net proceeds shall be included in the budget baseline required by the Balanced Budget and Emergency Deficit Control Act of 1985 and shall be counted for the purposes of section 252 of that Act as an offset to direct spending, notwithstanding section 257(e) of that Act.

Mr. STEVENS. Mr. President, I am embarrassed for the proponents of this amendment. I am not embarrassed by the President. I think the President is trying to make some sense out of the Budget Act, and it is time that we considered that.

This is an attack on a proceeding to lease the Alaska oil reserve. It is not standing up straight. It is a duplicitous amendment. It is an amendment intended to kill the provision in the budget resolution that considers it a requirement of the Energy Committee to raise money. One of the ways they can raise that money is by bringing forth a bill to proceed to lease the one and one-half million acres on the Arctic coastal plain that has a fantastic potential for oil and gas.

Furthermore, the Senator from Arkansas said, what happens in the next year? Hopefully in the next year you

would discover oil. The last time I remember people standing on this floor saying there is no oil was when we were considering legislation to allow leasing on the North Slope of Alaska, when they said that it would only produce about 1 billion barrels at the most. Mind you, that would have been the largest deposit on the North American continent. But, as a matter of fact, we have already produced 10 billion barrels. Ten billion barrels came out of that bill that came before the Senate. The argument went for days. Finally, the tie had to be broken by the Vice President of the United States.

Now, we are in the same situation here. Mr. President, you are going to see more wildcats coming across this floor when ANWR is brought up than anything you have here. They have more things they can warn the public of. Look at that. They say we are trying to sell the Statue of Liberty. It is absolutely ludicrous again I say. I have never heard an argument stretched to that point.

This resolution does not authorize the sale of anything. All the President wants to do is count the money when it is authorized to lease or to sell something, and there already are a series of things authorized. The President is going to send up a bill to authorize the further sale of some of the assets on the Presidio at Monterey in California. As a matter of fact, it has already been leased. Do you know who it is leased to? Former Senator Cranston and the former leader of the Soviet Union, Mr. Gorbachev. They have leases there in the Presidio already.

Now, when you look at it, all the President is saying is that in the process of acquiring money from the sale or lease of assets that are authorized by law, we ought to count them in the budget process. This amendment would deny the President that right. It would mean that he could not count the $1.4 billion that will come in the first 4 years of the leasing of ANWR.

I thank the Senator from New Mexico for his courtesy.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me say to the Senator from Alaska, my amendment does not stop the leasing of ANWR. That is not what this amendment is all about. You can go ahead and lease ANWR. But do not score it in the budget. That has been the law of the land for 10 years.

All of a sudden we get this budget resolution presented to us and they say we are going to change the rules. If you can get $2 billion for Presidio, count it, score it. You have $4 billion in here, and next year you may not have $4 billion in asset sales so you are going to have to find it elsewhere. Why, I say to the Senator, you might even have to pay royalties on hard rock mining next year.

Mr. STEVENS. Will the Senator yield for just one question? We are closing almost 50 bases in the United States. Why should we not count as income those portions of the bases we are going to sell? This amendment would not allow that.

Mr. BUMPERS. Mr. President, there is not a Governor in the United States, including the person sitting in the chair at this moment, who is a former Governor, in my opinion, that will take an asset sale or one-time windfall and put it into his operating budget. My amendment does not prohibit the sale of those bases. It just says, let's not change the budget rules to mask the deficit by scoring the revenues derived from these asset sales.

I yield the floor.

Mr. DOMENICI. Mr. President, how much time does Senator BUMPERS have?

The PRESIDING OFFICER. Twenty-one seconds.

Mr. BUMPERS. I yield back the remainder of my time.

Mr. DOMENICI. How much time do I have, Mr. President?

The PRESIDING OFFICER. Two minutes.

Mr. DOMENICI. I thank the Chair very much.

Mr. President, let me suggest there really are two arguments here. I think the paramount one is to get rid of any authority that the Energy Committee might have in its reconciliation instructions to direct that we begin leasing of ANWR. While asset sales generally seem to be the subject matter, I think that is the prime focus.

And let me suggest for a minute a bit of arrogance about the United States, a bit of arrogance about those who think we can just continue to lock up our assets because we are so wealthy it does not matter. How does $180 billion worth of American assets called ''oil'' sound to average Americans—$180 billion worth? We will buy it from other countries because we think we are so strong, so powerful, so economically self-sufficient we can just throw away our assets—$180 billion.

Now, I know that people do not like to think of America as being arrogant about anything; we are humble people. But I submit, Mr. President, it is arrogance to think that we can throw away $180 billion and say we will buy it from the Saudis. After all, it was only ours so why not just lock it up.

Now, if there was harm coming to ANWR, many who will vote against Senator BUMPERS would vote with him. But that argument about how much damage is going to be done there just will not play too much longer.

Now, let me make a second point. Let me make a second point on this issue. Mr. President, what happens if we fail to balance the budget and the American dollar keeps coming down? Do you know what might happen, I say to the Senator from Alaska? The Saudi Arabians may say, ''Pay us in yen.'' How does that strike you? ''We do not want your American dollars. They are not good enough.''

Mr. STEVENS. For oil.

Mr. DOMENICI. For oil. Pay us in yen. We will pay them in yen and guess what will happen. Oil prices go up 300 percent in America.

Why should we not use our own rather than depend totally upon them?

I yield the floor, and if we have no remaining time, I assume we are finished with this amendment and it will be appropriately stacked tomorrow by our leader.

RURAL HOUSING GUARANTEED LOAN PROGRAM

Mr. CHAFEE. Mr. President, I wish to engage in a colloquy with Senator DOMENICI, the distinguished chairman of the Budget Committee, with respect to the rural housing guaranteed loan program.

In reviewing the report accompanying the Fiscal Year 1996 Concurrent Budget Resolution, I note that the Senate Budget Committee recommends ''the reduction or elimination of certain subsidies provided by the federal government for a range of credit programs in the Small Business Administration, the Federal Housing Administration, and the Rural Housing and Community Development Service.'' Am I correct in understanding this to mean that the Budget Committee assumes no savings from the Rural Housing and Community Development Service's Section 502 unsubsidized guaranteed loan program over the next seven years?

Mr. DOMENICI. The Senator from Rhode Island is correct.

Mr. LEVIN. Mr. President. I will oppose the Roth amendment which takes a meat-ax approach to eliminating federal jobs. The administration has made laudable progress by downsizing the government by more than a quarter of a million workers by the end of the year. Under the leadership of Vice President GORE, careful evaluation, systematic studies, and cost-benefit analyses have been used to shape a leaner more effective Federal workforce. Because it is not based on such studies and analysis, the Roth amendment, by contrast, could result in the slicing away of essential jobs, such as those needed to get out the social security checks, staff the veterans' hospitals, or to protect federal facilities and workers from another terrorist incident. Also, the Roth amendment, according to its author, assumes the elimination of the Department of Commerce, an action with which I do not agree.

AFDC

Mr. MOYNIHAN. Mr. President, I intend to propose an amendment that will enable us to improve our welfare system rather than dismantle it. Under my amendment, Aid to Families With Dependent Children will remain a Federal entitlement program.

The amendment I propose will, over 7 years, restore $55 billion to income security programs, including Aid to Families With Dependent Children, Supplemental Security Income and Unemployment Insurance under the jurisdiction of the Finance Committee.

My amendment is deficit neutral. It is financed by using part of the fiscal dividend that will accrue to the Federal Government if we balance the budget.

The budget resolution reported out by the Senate Budget Committee reserves the fiscal dividend for tax cuts.

I fail to understand how we can justify tax cuts at the same time that we are, for example: withdrawing the Federal guarantee of support for dependent children; reducing government programs like Medicare and Medicaid by over 15 percent; and threatening an end to vital public services through the elimination of subsidies for AMTRAK.

As I stated on introducing the Family Support Act of 1995 last Thursday:

> It is beyond belief that in the middle of the Great Depression in the 1930's, we provided for children a minimum benefit to keep them alive, and in the middle of a successful 1990's with a 7 trillion dollar economy we're going to take that away.

Senators who have been following the subject of welfare policy will recognize the bill I introduced last week as a successor to the Family Support Act of 1988, which was adopted in this Chamber just this side of 7 years ago, on September 29, 1988, by a vote of 96 to 1.

When President Ronald Reagan signed the bill in the Rose Garden on October 13, he thanked those who, as he said, shared the credit for ''this landmark legislation'', including Senator DOLE, Senator PACKWOOD, and Senator Bentsen, as well as Representatives Rostenkowski, HANK BROWN, Michel, Frenzel, and Downey.

These members of Congress will be remembered, President Reagan said;

> for accomplishing what many have attempted, but no one has achieved in several decades: a meaningful redirection of our welfare system.

It will seem unimaginable to us today, but the Family Support Act was not a partisan political measure.

Together Republicans and Democrats passed a bill that was based largely on what we had learned during the 1980's about how to get welfare recipients into work. A number of States had used the flexibility we gave them in 1981 to do this, and there had been careful evaluation of their efforts. The Family Support Act of 1988 recognized a mutual obligation. The Government would provide training and child care, and help the parent find a job. But the parent had an obligation to do what was required.

The proposal that is envisaged in this budget resolution is vastly different. It gives up entirely on a national commitment.

We have a problem in this country that we share with most of the rest of the western world, and that is the problem of the breakdown in family structure. As recently as 1960 the percentage of children born to single parents was about 5 percent. A manageable problem. It is now about 33 percent. The same trend is happening in Canada. The out-of-wedlock birth rate in the United Kingdom and France exceeds 30 percent, very close to ours.

And we do not know what to do about it.

Dr. Lawrence Mead, professor at New York University, now visiting professor at the Woodrow Wilson School of Public and International Affairs at Princeton, testified before the Finance Committee on March 9 of this year. He asked:

> Can the forces behind growing welfare be stemmed? Conservative analysts say that unwed pregnancy is the greatest evil in welfare, the cause not only of dependency but other social ills. On all sides, people call for a ''family policy'' that would solve this problem.
>
> But we have no such policy. The great fact is that neither policymakers nor researchers have found any incentive, benefit, or other intervention that can do much to cut the unwed pregnancy rate.

What we do know is that the program we enacted in 1988, the Job Opportunities and Basic Skills Training [JOBS] Program, can have a modest, but important effect.

Dr. Mead told the committee that:

> A tough JOBS program appears to be one reason why Wisconsin has reduced its welfare rolls, despite generous welfare benefits. Very likely, JOBS has operated to restrain welfare growth nationwide.

Lawrence Townsend, Director of the Department of Public Social Services of Riverside County, CA, who runs what is recognized as one of the most successful JOBS programs in the country, spoke to the Finance Committee on March 20:

> * * * of the importance of the existence of a Federally mandated, properly focused, and adequately funded JOBS program. If designed properly, the JOBS program can be one of the best vehicles for assisting those who are AFDC-dependent to successfully traverse the road to self sufficiency.

The Family Support Act of 1995 builds on what we know. Evaluation confirms that the JOBS program works. As a result of evaluation we are learning how programs can perform better, by increasing participation requirements, and placing more emphasis on actual work.

States need more flexibility to test new policies. My bill allows States to set their own rules for assets and to design their own rules for eligibility for the Unemployed Parent program—welfare benefits for 2-parent families. It says that a decision on a waiver will be made within 90 days.

And we can fulfill our obligations to our Nation's children and still balance the budget in a reasonable timeframe if we eschew tax cuts.

Faced with a huge budget deficits I have consistently opposed tax cuts in any shape or form.

As I indicated 10 days ago on ''Meet the Press'':

> I dropped (the President's) tax cut plan the moment I heard about it.

I oppose the tax cuts advocated in the Contract for America. The Contract for America's tax proposals were incorporated into the House budget resolution—a resolution that would eliminate the Federal guarantee on AFDC for dependent children while providing funding for a 7-year $354 billion tax cut.

And I am opposed to the tax cuts implicit in the budget resolution now before the Senate. You may make the tax cuts appear costless by stipulating that tax reduction will be financed with the so-called fiscal dividend—estimated by CBO to be about $170 billion.

But why should the fiscal dividend be reserved for tax cuts?

Who can have a greater claim on our conscience than poor children. I am simply asking the Senate to adjust less than one-half of 1 percent of total spending provided for in the budget resolution in favor of impoverished children. Have we really come to the point, at the close of the 20th century, when that is too much to ask?

In a series of speeches in February of this year I opposed the constitutional amendment to balance the budget. I stated then, and still believe, that we can and will balance the budget without a constitutional requirement.

I noted the progress that had already been made as a result of a $500 billion deficit reduction program enacted in 1993—enacted I might add without one Republican vote in either the Senate or the House. As a result of deficit reduction measures enacted in 1993, the deficit has declined for three straight years—from $290 billion in fiscal year 1992 to an estimated $175 billion for the current fiscal year.

Let us proceed with good cheer knowing that we can get a balanced budget without ending an entitlement for dependent children.

MEDICARE/MEDICAID CUTS

Mr. HARKIN. Mr. President, this debate is about priorities, fairness and choices. We agree on the bottom line. We agree on balancing the budget and bringing this deficit down. But we part company on how to get there.

I say we should get to the bottom line without putting our seniors, our students, our farmers, and our working families in the firing line.

I say we should choose quality health care for our seniors over unnecessary tax breaks for those who need it the least.

In the last couple of weeks I have heard my Republican friends say that their budget resolution does not cut Medicare. They say, ''Only in Washington would someone say that reducing the rate of growth from 10 to 7.1 percent is a cut''.

Well, to this I respond with the following: Only in Washington would they say to a senior citizen—We're not cutting your Medicare, just hand over $900 more out of your pocket each year to pay for it.

But, while we're doing it—remember, it's not a cut.

Only in Washington would they propose the largest insurance rate hike on senior citizens in our country's history, at the same time they hand over a new $20,000 tax break to those making over $350,000 a year.

But, remember, it's not a cut.

Only in Washington would we propose soaking our seniors while we continue to needlessly funnel billions into the bloated, wasteful Pentagon.

But, remember, it's not a cut.

Mr. President, a constituent from Dubuque, Iowa hit the nail right on the head when she wrote me last week. ''How can they reconcile these cuts,'' she said, ''and give tax cuts to the more affluent * * * meanwhile nothing is being cut from the Pentagon.''

Today, we spend five times more on our military than all of our potential enemies combined. If you couple that with what our allies spend—today, we are outspending our enemies ten to one. The United States and our allies spend about $510 billion a year. While our potential enemies spend about $54 billion combined.

And we can't find one thin dime to cut from the military? In fact, this budget increases the Pentagon by $25 billion.

Mr. President, let us call this what it is. This is an assault on our senior citizens. A $256 billion assault. By far, the largest Medicare cut in history.

We have a moral responsibility to bring down the deficit and balance the budget. But it is morally wrong to promise a huge tax cut to the wealthy at the same time we ask seniors to take a cut in their health care.

It is morally wrong to give a $20,000 gift to the wealthy while we cut benefits for seniors who live on less than $20,000 a year.

I hear a lot of talk about the Contract With America. What about our Nation's contract with senior citizens? What about keeping that commitment?

Medicare and Medicaid are a basic part of America's contract with seniors. And we ought not to break that contract to pay for a tax break to those who need it the least.

These cuts will hit Iowa particularly hard. Iowa ranks first in percent of citizens over age 85 and third nationally in percent of the population over age 65. The health care system in rural Iowa is already on the critical list—we have too, few doctors, nurses and other health care professionals and many of our rural hospitals are barely making it.

And, Iowa hospitals, doctors, and other health professionals depend heavily on Medicare payments. In some rural Iowa hospitals, as much as 80 percent of total patient revenues come from the Medicare system.

Iowa hospitals are financially strained and 75 percent of all hospitals lost money on patient revenue in 1993. But, according to a recent study conducted by Lewin-VHI, under the Republican plan, Iowa hospitals will lose on average $1,276 for each Medicare case in the year 2000. And rural hospitals throughout the United States stand to lose $866 per case in the year 2000—Iowa rural hospitals will lose even more.

But rural hospitals are not the only ones to lose. As rural hospitals go, so goes the rest of the health care system, so goes quality and access to care provided to all Iowans, and so goes our rural economy.

If the hospital closes it often means that the doctor's office closes, the pharmacy closes, and the nursing home goes. Pretty soon so does the local economy. It is a domino effect.

Listen to what a doctor in Sibley, IA, had to say:

> In Sibley, we have a very viable, small rural hospital that gives total patient care. We are able to manage most patients efficiently and effectively. But with the proposed cuts in Medicare that the current budget is envisioning, we can see this as a terrible drain on our hospital's economy. The proposed cuts would put our hospital in a losing situation. Further cutting in the funding could certainly endanger the existence of this hospital. In Sibley, the Osceola Community Hospital is the only hospital in a 20-mile radius. This could certainly be a hazard to the health of the general area.

But Medicare is not the only item on the hit list. What about Medicaid? What about long-term care?

Instead of improving the system, the Republicans are proposing a $175 billion cut in Medicaid. That will deal a heavy blow to the 6 out of 10 people in nursing homes who are receiving help from Medicaid.

These people have used up whatever savings they had before they qualified for Medicaid. They are hard working middle-class families that, because of an illness in the family, have lost their life savings.

They are not looking for an easy way out or handout. They continue to share in the cost of their care—they use their Social Security and pension income to pay as much of the bills as they can.

But the Republican budget resolution would cut an estimated $299 million in long-term care spending in Iowa through the year 2000—a 15.3 percent cut in long-term care spending.

Under these cuts, an estimated 5,300 Iowans are expected to lose their eligibility for Medicaid long term care benefits in 1996—and that could grow to 28,500 by the year 2000. That's a 48 percent reduction in the number of long-term care recipients by the year 2000.

I also hear a lot about our children in this budget debate. What about kids? This budget resolution places the health care of millions of children at risk. Thirteen percent of Iowa's children are covered by Medicaid and many of these children are very sick or have severe disabilities.

These cuts are going to hurt hard working Iowa families. Let me give you just one example.

Deb and Doug live in Lake View, IA, and in 1982 their son Jon was born en route to the hospital—2 months premature. Jon spent 6 weeks in intensive care in Blank Children's Hospital in Des Moines. When Jon was 9 months old he was diagnosed with severe cerebral palsy and severe developmental delays. Today, Jon is doing great. He is growing up in rural Iowa with his dad, mom, and big brother.

Both Deb and Doug work—Doug during the day and Deb at night so one of them can always be home to care for Jon. But, Jon is able to stay home because Medicaid help pays for Jon's health care and other services that will help him become an independent working adult.

Deb says that Jon would not be the happy healthy kid he is today if it wasn't for the help he received through Medicaid. Under this budget resolution there are no guarantees that Jon, or others like him, will continue to received the health care services that he needs to live a full life.

The budget resolution before us means that fewer children in working families and children with severe disabilities will have access to health care. Last year, 82 percent of the people who lost their health care coverage were children. Our children deserve a chance. Our children are our future and if we don't take care of them now we will pay later—in lower productivity and greater health and education costs.

Mr. President, I will end where I began. This is a debate about choices and the future. The future for not just the next generation of children, but this generation, too.

Let us work to cut the deficit without cutting the future for seniors, working families, students, and kids. Let's make the right choice.

AMENDMENT NO. 1123

Mr. ABRAHAM. Mr. President, during my campaign, I promised the voters of Michigan to both oppose any effort to raise their taxes and to support badly needed tax cuts—especially for the hard working middle-class families in our State. While not perfect, I intend to support the amendment before the Senate because it first provides for a balanced budget and also provides significant tax relief primarily targeted at American families. Indeed, I plan to support any reasonable proposal for middle-class family tax relief brought to the Senate until some form of family tax cut is adopted.

Although I support much in this amendment, there are certain provisions which I would change given the opportunity. For example, while I support restraining the growth of mandatory spending, the underlying resolution already slows the growth of Medicare as much as most Governors are willing to support.

Furthermore, while I agree that it is possible to reduce discretionary spending further than the pending budget resolution provides, I do not think it is advisable to do so on a proportionate across-the-board basis. Rather, I believe additional program eliminations

and consolidations in targeted areas is the proper course to follow.

Given these reservations, I intend to work to see that other spending reductions—focused primarily on corporate welfare—are used to help pay for tax cuts in the event this amendment passes.

A final concern I have is with the overall distribution of benefits resulting from this amendment. I disagree with those who would set up a quota system for tax cuts, measuring the value of each provision by how uniformly it distributes its benefits. At the same time, it is easy to forget that it is middle-class Americans and their families who pay most of the taxes the Federal Government consumes, and I believe they should be the primary beneficiaries of tax cuts. Thus, if this amendment or any other tax reduction proposal is adopted, I intend to work with the Finance Committee to ensure that middle-class Americans are made the focus of any tax cut passed by the Senate this year.

POSITION ON VOTE

Mr. BRADLEY. Mr. President, due to an unfortunate miscommunication, my vote on the Harkin amendment to restore education funding, which was the second of two back-to-back amendments, was not recorded. There is no one in the Senate who is a stronger advocate for education programs than I am, and I am disappointed that this error occurred. If it had been recorded, my vote would have been ''yea.''

RAISE TAXES ON WORKING FAMILIES TO PAY FOR TAX CUTS BENEFITING THE WEALTHY? THAT'S THE REPUBLICAN PLAN

Mr. DASCHLE. Mr. President, in the Republican budget resolution, there is only one explicit tax provision. It is not, as many Americans might guess, a measure to provide tax relief. Rather, it is a tax increase, and an egregious one at that. It is egregious because it targets those on the lowest rungs of the economic ladder, the families that are working harder than ever and yet are still struggling to support themselves and their families.

This provision would reduce payments under the Earned Income Tax Credit [EITC] by $17 billion over 7 years. More than 12 million low-income working families would see their tax bills go up by more than $1,500—and the money they have left over for food, housing, clothing and medical care go down.

Make no mistake, however. The Republicans do plan further action on taxes. They plan to take the savings they achieve from cutting tax credits to low-income working families, cutting education, cutting Medicare—and use those savings to fund a tax cut which will largely benefit the wealthiest members of our society.

Some of my Republican colleagues have argued that they are not raising taxes on low-income workers, that they are merely reducing the rate of growth in the EITC program. This semantic exercise does not change one simple fact—this budget resolution will mean fewer dollars in the pockets of these workers.

As we debate the proper level of funding for the earned income tax credit, we should remember that the number we set will have a very real impact on millions of American families and over 31,000 families in my State. I'd like to introduce you to two South Dakota families to illustrate my point.

Karen Olson and Paul Lovestrand are a married couple who live in Rapid City, which is located in the western part of my home State. They have three small children—aged 4 years, 2 years, and 7 months. Paul works 60 hours per week as a baker at the Sixth Street Bakery and Deli, Karen works two part-time jobs—catering for the same deli and cleaning a dentist's office.

Despite their hard work, Karen and Paul do not have any savings. They have qualified for the EITC for the past 2 years, receiving $600 this year. Karen and Paul relied on their EITC payment to cover the cost of a needed plumbing job and a repair to the steps of their house that was required by their insurance company. Without the EITC, they would have had to cut back in other areas to pay these repair bills.

Nancy and Ted Lewis also live in Rapid City. They are married with two small children—aged 3 years and 6 months. Both Nancy and Ted are college-educated, but they have had trouble finding work since moving to Rapid City nearly 3 years ago. Ted holds down two jobs—he teaches English at Western Dakota Technical Institute and works at a sign-making store. Nancy is trained as an art teacher, but cannot find work that would pay more than the cost of child care.

For the past 3 years, Nancy and Ted have qualified for the EITC, receiving the maximum amount this year. They have relied on their EITC payments for major car repairs, children's clothing and overdue bills. The EITC also allowed them to repay a loan they took out when Ted was between jobs and rent money was scarce.

Karen and Paul and Nancy and Ted are playing by the rules. They are working hard and raising their children in a stable family environment. But even though they are doing everything right, their wages are not high enough to provide for all of their families' needs.

For years, Democrats and Republicans have agreed that the Federal Government should give families like Karen and Paul's and Nancy and Ted's a helping hand. By lessening their tax burden, the EITC makes it a little easier for them to make ends meet. In other words, the EITC rewards those who choose work over welfare.

But now my Republican colleagues have decided that the EITC program is out of control and fraught with fraud and error. These excuses are being used to justify a cut in funds for the program that President Ronald Reagan called ''the best antipoverty, the best pro-family, the best job creation measure to come out of the Congress.''

A quick look at these arguments shows they are without merit. First, the program is not out of control because it is growing at the rate set by the Congress. In 1993, an expansion of the EITC was approved. Once this expansion is fully phased in next year, the rate of growth level out so as to correspond to the rate of inflation and population growth. Indeed, the credit will decline as a percentage of GDP beginning in 1997.

Second, the claims of some Senators that a whopping 35 to 45 percent of all EITC payments by the IRS are made erroneously are simply not true. It is true that an IRS study of 1,000 returns filed electronically in January 1994 found that approximately 25 percent of the EITC benefits claimed were in error. The IRS concluded that many of these errors were unintentional but that some significant fraud also existed.

What the critics will not tell you, however, is that the Clinton administration has acted swiftly and aggressively to correct this problem. Specifically, 12 measures to simplify the EITC and reduce erroneous or undeserved claims have already been adopted. The critics conveniently leave out another very important fact. The study that they rely on was conducted before any of the administration's anti-error provisions were put in place.

Mr. President, there can be no justification for this rollback of the EITC, other than a desire on the part of my Republican colleagues to find ways to pay for their tax cut plan, which will largely benefit the wealthy. Putting the burden of paying for that ill-advised plan on low-income families is simply inexcusable.

Mr. FAIRCLOTH. Mr. President, when I was elected to the Senate in 1992, I came to Washington committed to taking bold action in order to balance the Federal budget and eliminate the national debt. I knew that the tough decisions necessary to reach these goals would require tremendous political courage by individual Members of Congress. Frankly Mr. President, it was not until the Republican Party assumed control of the Congress last November and Senator DOMENICI assumed the chairmanship of the Budget Committee that I began to see the sort of courage necessary to put America's financial house in order.

Despite having control of the White House and both chambers of Congress from 1992 to 1994, the Democrat Party failed to offer a plan to balance the budget. Instead, President Clinton gave America its largest tax increase ever and proposed a government takeover of health care. This is just the type of behavior which voters have come to expect from President Clinton. When faced with an impending financial disaster his administration offered this

Nation higher taxes and bigger government as the solution. Well, with the support of his congressional allies, President Clinton got his tax increase, but his big-government approach to health care crashed and sank on the rocks of old-fashioned American common sense.

That was the last Congress. What plan has the President offered during the 104th Congress to balance the budget? In the words of Senator DOLE, President Clinton has been AWOL on the budget—''absent without leadership.'' I just don't understand it. Every time that President Clinton stares a balanced budget in the eye, he blinks. First, he actively fought against the balanced budget amendment, and then he refused to offer his own plan for bringing the Federal budget into balance. Moreover, when his cabinet informed him that we are facing an imminent Medicare crisis, the President did nothing. Perhaps, that is what he does best: nothing.

When President Clinton does meekly act to fulfill his constitutional responsibilities, such as proposing his own budget plan, even his own party cuts and runs. Last week the Senate rejected the Clinton budget by a vote of 99 to 0. No one voted for the Clinton budget. No responsible Member of Congress would dare vote for a budget which would have increased the deficit from $176 billion this year to $276 billion in the year 2000 by which time we would have added $1.2 trillion to the national debt. And yet this is what President Clinton proposed.

President Clinton may be content to sit in the Oval Office at the other end of Pennsylvania Avenue and blithely ignore the current budget crisis and the daily mounting debt, but I for one did not leave 45 years of hard work in the private sector to come to Washington and turn a blind-eye to our Nation's fundamental problem. That is why I have come to the Senate floor today to assure my colleagues that I am wholeheartedly committed to working with them to balance the budget, and go beyond that to paying down the principal on our $4.7 trillion national debt.

A child born today would have to pay $187,500 over his or her lifetime just to pay interest on the national debt. For those concerned about the impact of the proposed budget on children, this per child cost imposed by the national debt should be the real focus of our concern for children.

We all know that the steps necessary to balance the budget will not be easy. It will require each of us to summon up the courage to cut or eliminate government programs which in times of a budget surplus we might otherwise support.

I recognize that such questions about government programs are difficult, but as the national debt continues to grow out-of-control at a rate of $20 million per hour, the questions only become more difficult. That is why last week I introduced a welfare reform bill which addresses the root causes of welfare dependency and runaway welfare costs. It is also why I agreed to co-chair the Senate Task Force on the elimination of federal agencies which today will announce plans for abolishing the Department of Commerce. Plans for eliminating the Departments of HUD, Energy and Education are in the offing.

We must not lack the courage to act together to take bold actions such as limiting the growth in welfare spending, abolishing unnecessary agencies, and reforming Medicare. To do otherwise, will be to tell our children and grandchildren that the generation which fought and won World War II and the cold war has now chosen to abdicate its generational responsibility. A legacy of debt is grossly inconsistent with the self-reliant pioneer values which have built this great nation and made it the world's lone superpower.

When debate time on the budget resolution has expired and the time for voting occurs, the eyes of the world and our children will be focused on the United States Senate. They will wait to see whether, like the House of Representatives, Members of the Senate possess the courage and vision to support a resolution which provides for a balanced budget.

We have already seen the reaction of the world's financial markets when the balanced budget amendment died in this Chamber not long ago. If we repeat that profile in cowardice we will no doubt reap the whirlwind. We will signal to the rest of the world and more importantly to our children that nothing has changed in Washington—the business as usual spending spree continues and we have no intention whatsoever to make serious spending cuts.

I commend Chairman DOMENICI for his outstanding leadership in drafting a long overdue plan to end our Nation's experiment with fiscal irresponsibility. In my short career in the Senate, I can think of no vote more important than this one. Our votes on this budget resolution will clearly define where each of us stands on the most important issue facing our Nation. I intend to stand with those who want to balance the budget by 2002. I intend to stand with those who believe that America's families are desperately in need of tax relief.

The people of North Carolina who sent me here expect and deserve no less.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

MORNING BUSINESS

Mr. KEMPTHORNE. Mr. President, I now ask unanimous consent that there be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

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

TRIBUTE TO COL. JOSEPH W. CORNELISON

Mr. FORD. Mr. President, I rise to recognize the dedication, public service, and patriotism of Col. Joseph W. Cornelison, U.S. Army, on the occasion of his retirement after 26 years of faithful service to our Nation. Colonel Cornelison's strong commitment to excellence will leave a lasting impact on the vitality of our modern war fighters, commanding admiration and respect from his military colleagues and Members of Congress.

Colonel Cornelison, a 1969 graduate of the U.S. Military Academy, is serving his last day of a 21 month assignment as the special assistant for Environment and Installations, Office of the Assistant Secretary of Defense for Legislative Affairs.

He holds a master's degree in public service from Western Kentucky University, and has his juris doctorate from Georgetown University Law Center.

From April 1970 to August 1971, Colonel Cornelison was a forward observer, fire direction officer, and artillery liaison officer, 173d Airborne Brigade, Republic of Vietnam. He ensured the effective delivery of direct artillery support to an infantry unit in combat. He then served as battery commander, assistant division personnel officer and assistant battalion operations officer for 101st Airborne Division [Air Assault] in Fort Campbell, KY. As commander, he conducted a tactical standdown of a field artillery battery in Vietnam and redeployed its personnel and equipment to the United States. In the personnel position, was a key player in the assignment of several hundred officers and undertook review of an array of regulatory requirements to identify those that could be eliminated because of redundancy, obsolescence or insufficient value. He also organized and executed an advanced training program for newly assigned personnel.

From August 1977 to July 1978, Colonel Cornelison was the law clerk to the Hon. Oliver Gasch, judge of U.S. District Court for the District of Columbia. He assisted the judge in management of his civil docket which included hearings, researching and briefing issues and drafting opinions. He then served as trial counsel, chief of administrative law, and officer-in-charge of Bamberg Branch Office for the 1st Armored Division in the Federal Republic of Germany. In these three positions, he progressed from serving as prosecutor in criminal trials to providing legal support on issues associated with command to serving as city counsel to a major military community.

Colonel Cornelison went to serve as assistant to the General Counsel, Office of the Secretary of the Army, Headquarters, Department of the Army, Washington, DC from June 1982 to December 1983. He developed improvements to debarment and suspension procedures and increasing emphasis on

contract fraud discovery and avoidance. He contributed to studies of spare parts procurement and of ways to improve contracting for major weapons. His next position was as chief, Special Litigation Branch (Environmental), Office of the Judge Advocate General, Washington, DC from December 1983 to January 1985. He organized a team of five attorneys and two engineers to assist Department of Justice in a lawsuit filed against Shell Oil under the Comprehensive Environmental Response, Compensation, and Liability Act. He then served as General Counsel [SJA] for U.S. Army South and Joint Task Force Panama from July 1985 to June 1989. He managed the delivery of all legal services within the command.

Colonel Cornelison's next assignment was as special counsel to the Assistant Attorney General (Civil Division) for Department of Justice from July 1989 to June 1990. He was selected to serve in this capacity under a fellowship through the Army War College. He represented DOJ on an interagency group responsible for implementing a Presidential executive order calling for a drug-free, Federal workplace, serving as liaison to the Executive Office for U.S. Attorneys, and advising on settlement of litigation. He served as chief, Environmental Law Division, Office of the Judge Advocate General for the Department of the Army from June 1990 to March 1991. He managed the Army's environmental litigation and provided legal advice to the Army staff and executed the Army's environmental program. From March 1991 to September 1993, he was executive to the Judge Advocate General for the Department of the Army. Served as personal advisor and executive assistant to the Army's senior military lawyer. He managed an office of 74 lawyers and 47 support personnel, $3,000,000 budget, and assisted in providing legal support to the Army worldwide.

Colonel Cornelison currently is serving as assistant for Installations and Environment, Office of the Assistant Secretary of Defense for Legislative Affairs. He serves as a liaison between Congress and the Office of the Secretary of Defense and as an advocate of the Department's legislative program.

Our Nation, the U.S. Army, his wife Ella and his family, can truly be proud of the Colonel's many accomplishments. A man of his extraordinary talent and integrity is rare indeed. While his honorable service will be genuinely missed in the Department of Defense, it gives me great pleasure to recognize Col. Joseph Cornelison before my colleagues and wish him all of our best wishes in his new and exciting career.

TRIBUTE TO LOUIS HURWITZ

Mr. PRESSLER. Mr. President, I rise today to pay special tribute to Louis Hurwitz of Sioux Falls, SD, on his retirement after 57 years as executive secretary of the Sioux Falls Jewish Welfare Fund, a branch of the United Jewish Appeal. His tireless efforts in assisting the education, well-being, and happiness of countless Jewish refugees worldwide is admirable.

To understand the depth of Lou's love for and dedication to the happiness of others, one need only review his constant involvement in and uncommon generosity to the Sioux Falls community. His persistently positive impact on others and his continuous commitment to making a difference cannot be overstated. For six decades, Lou has been recognized repeatedly for his hard work on behalf of the Sioux Falls community. His efforts in reaching across religious lines to work with persons of all faiths deservedly has earned the respect and affection of many people, including myself. I extend my sincere gratitude and appreciation to Lou Hurwitz for his selfless service to the people of South Dakota, the Sioux Falls Jewish community, and thousands of others elsewhere.

Mr. President, Lou's extraordinary dedication to helping others mirrors the teachings of the Hebrew scholar, Maimonides. According to the teachings of Maimonides, the highest level of charity is to enable other human beings to help themselves. I am proud of Lou's efforts in that regard. He has enabled countless Jewish refugees around the world to become stronger. I congratulate Lou for all he has accomplished. He has left a legacy that always will be a source of pride to all South Dakotans. I join with Lou's friends and family members in wishing this extraordinary man the very best in all he has yet to achieve.

IS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES

Mr. HELMS. Mr. President, the impression simply will not go away: Today's $4.8 trillion Federal debt is a grotesque parallel to the energizer bunny we see, and see, and see on television. The Federal debt keeps going and going and going—up, of course—always to the added misery of the American taxpayers.

So many politicians talk a good game—when, that is, they go home to talk—and ''talk'' is the operative word—about bringing Federal deficits and the Federal debt under control.

But, sad to say, so many of these very same politicians have regularly voted for one bloated spending bill after another during the 103d Congress and before. Come to think about it, this may have been a primary factor in the new configuration of U.S. Senators as a result of last November's elections.

In any event, Mr. President, as of yesterday, Monday, May 22, at the close of business, the total Federal debt stood—down to the penny—at exactly $4,883,843,317,167.73 or $18,539.15 per man, woman, child on a per capita basis. Res ipsa loquitu.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. KEMPTHORNE. Mr. President, as in executive session, I ask unanimous consent the Senate immediately proceed to the consideration of Executive Calendar Nos. 124 through 143, and all the nominations on the Secretary's desk en bloc. I further ask that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table en bloc, that any statements relating to the nominations appear at the appropriate place in the RECORD, the President be immediately notified of the Senate's action, and that the Senate then return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

Eugene Branstool, of Ohio, to be a Member of the Board of Directors of the Federal Agricultural Mortgage Corporation.

DEPARTMENT OF AGRICULTURE

Karl N. Stauber, of Minnesota, to be Under Secretary of Agriculture for Research, Education, and Economics.

AIR FORCE

The following-named officer for appointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be general

Lt. Gen. Billy J. Boles, 000–00–0000, United States Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. John C. Griffith, 000–00–0000, United States Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Lloyd W. Newton, 000–00–0000, United States Air Force.

The following-named officer for appointment to the grade of general on the retired list pursuant to the provisions to Title 10, United States Code, Section 1370:

To be general

Gen. Charles G. Boyd, 000–00–0000, United States Air Force.

The following-named officer for appointment to the grade of general on the retired list pursuant to the provisions to Title 10, United States Code, Section 1370:

To be general

Gen. John M. Loh, 000–00–0000, United States Air Force.

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Lt. Gen. John S. Fairfield, 000–00–0000, United States Air Force.

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Carl G. O'Berry, 000–00–0000, United States Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Eugene D. Santarelli, 000–00–0000, United States Air Force.

ARMY

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. Leonard D. Holder, Jr., 000–00–0000, U.S. Army.

The following named officer for reappointment to the grade of general while assigned to a position of importance and responsibility under title 10, United States Code, sections 601(a) and 3033:

TO BE GENERAL

To be chief of staff of the Army

Gen. Dennis J. Reimer, 000–00–0000, U.S. Army.

The following named officer to be placed on the retired list in the grade indicated under the provisions of Title 10, United States Code, Section 1370:

To be general

Gen. Gordon R. Sullivan, 000–00–0000, U.S. Army.

The following named officer to be placed on the retired list in the grade indicated under the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Marvin L. Covault, 000–00–0000, U.S. Army.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. Robert E. Gray, 000–00–0000, U.S. Army.

The following named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be lieutenant general

Lt. Gen. John E. Miller, 000–00–0000, U.S. Army.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. William G. Carter III, 000–00–0000, U.S. Army.

NAVY

The following named officer to be placed on the retired list in the grade indicated under the provisions of Title 10, United States Code, Section 1370:

To be vice admiral

Vice Adm. Donald F. Hagen, 000–00–0000, U.S. Navy.

MARINE CORPS

The following named officer for appointment as Commandant of the Marine Corps, Headquarters, U.S. Marine Corps, and appointment to the grade of general while serving in that position under the provisions of Title 10, United States Code, section 5043:

To be commandant of the Marine Corps

Lt. Gen. Charles C. Krulak, 000–00–0000, USMC.

DEPARTMENT OF AGRICULTURE

Karl N. Stauber, of Minnesota, to be a Member of the Board of Directors of the Commodity Credit Corporation.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nominations beginning Robert D. Curry, and ending Ward Y. Tom, which nominations were received by the Senate and appeared in the Congressional Record of March 30, 1995.

Air Force nominations beginning Major Bradley C. Andreesen, and ending major Charles E. Lowrey, which nominations were received by the Senate and appeared in the Congressional Record of April 3, 1995.

Air Force nominations beginning Major Jose T. Aguinega, and ending Major Stephen L. Jerentowski, which nominations were received by the Senate and appeared in the Congressional Record of April 3, 1995.

Air Force nomination of James C. Ingram, Jr., which was received by the Senate and appeared in the Congressional Record of April 24, 1995.

Army nominations beginning John A. Adams, and ending * Dari Wollschlaeger, which nominations were received by the Senate and appeared in the Congressional Record of March 23, 1995.

Army nominations beginning * Russell R. Moores, Jr., and ending Michael J. Smith, which nominations were received by the Senate and appeared in the Congressional Record of March 30, 1995.

Army nominations beginning James W. Clevenger, Jr., and ending Charles M. King, which nominations were received by the Senate and appeared in the Congressional Record of April 24, 1995.

Marine Corps nominations beginning David F. Allen, and ending Euseekers Williams, Jr., which nominations were received by the Senate and appeared in the Congressional Record of March 23, 1995.

Marine Corps nominations beginning Stephen J. Acosta, and ending Gregory N. Zima, which nominations were received by the Senate and appeared in the Congressional Record of May 2, 1995.

Navy nominations beginning Vanita Ahvja, and ending Perry N. Willette, which nominations were received by the Senate and appeared in the Congressional Record of March 30, 1995.

Navy nominations beginning Charles S. Abbot, and ending Jake Zweig, which nominations were received by the Senate and appeared in the Congressional Record of March 30, 1995.

Navy nominations beginning Ryan D. Aaron, and ending David G. Zook, which nominations were received by the Senate and appeared in the Congressional Record of March 30, 1995.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

Mr. KEMPTHORNE. Mr. President, I would ask to be acknowledged so that I might begin 10 minutes and when there is 2 minutes remaining, if I could be notified.

The PRESIDING OFFICER. The Senator from Idaho.

BALANCING THE BUDGET

Mr. KEMPTHORNE. Mr. President, I thank the Chair very much.

I think we have had some tremendous debate on the whole issue of the budget. We have heard people say, yes, there is enough that has been taken out or added or there is too much.

The fact is that on this budget debate, whether or not we should balance the budget, if we follow the status quo, which is by far the easier thing to do today, because we will not have to make the tough votes if we follow the status quo that we have been on for so many years—the fact is if we follow that status quo, we will lose this country.

The spirited, the polite, partisan debate that we have had during the course of this discussion will give way if we pursue the status quo to an absolute crisis situation. Shock waves will be sent throughout the world if in fact the United States reaches that point of financial collapse. And in that situation, Mr. President, as you well know, there will not be a United States to bail us out.

The last balanced budget was 1969. I was a junior in high school in 1969. Now, I can tell you that was not that long ago. I can relate back to that. I now have a daughter who next year will be a junior in high school. So you see, it has been a generation since we have had a balanced budget.

In high school, the last thing that I ever thought about as a high school student was a balanced national budget. It just did not cross my mind, and yet at that time, we had a balanced budget.

But $5 trillion later, I wished that the adults of that era would have realized what should have been done—$5 trillion later. Now I am the father of two great kids, Heather and Jeff. Next year they will both be in high school. But the difference between their being in high school and when I was in high school is that they now will owe, as every other American in this country will owe, $19,000 on the national debt, and they did not do anything wrong except to inherit this $5 trillion debt.

In the State of Idaho, the State law requires that we must have a balanced budget every year, and in the same world that our Federal Government operates today in its red ink, Republican Gov. Phil Batt gave the people of Idaho a $40 million property tax relief. The fact of the matter was, it was their money, just as it is the money of the people of America that we are talking about. It is not the Government's money.

So we owe it to our kids to deal with this issue, and we owe it to our parents to deal with this issue, our parents who came through the recession and the Depression and tell us the stories of that

and how it made it very clear to them: You do not live beyond your means. You just do not do that.

The interest payments on the national debt are the third largest part of the budget. And the interest payments do not buy a single school lunch, and they do not buy a single road and they do not make a single payment on a Medicare bill.

The national debt rises $355,000 every minute. In 1 second, $6,000—just now. That is how fast this is growing.

All of this talk about budget cuts, a budget cut in Washington means something very different than a budget cut in Idaho. In the Nation's Capital, when a Government program asks for a 5 percent budget increase, and it is only granted a 3 percent budget increase, we do not call that a cut. That is an increase. But that is not how Washington, DC, deals with it. We are simply slowing the growth. The budget package that I am backing will bring us a balanced budget over the next 7 years by holding the growth of Government spending to around 3 percent a year.

What about Social Security and Medicare? Well, we do not touch the Social Security pension trust fund, and we should not because it is not the problem. Medicare, on the other hand, must be fixed. The trustees say that it will be bankrupt in 7 years if the escalating growth is not stopped.

When you think about that, if you are now 55 years old after spending a lifetime paying Medicare taxes, there is no assurance that there will be enough money to pay doctor bills when you become eligible. That is unacceptable, and that is why we are going to deal with that in this budget.

The next tough issue is taxes. I oppose tax increases, but what about tax cuts? I will support tax cuts that meet these tests. First, they must not slow the effort to balance the budget. And second, they must encourage investment, help families with children, help small business, encourage savings that will pay for college, care for the elderly and the purchase of first homes.

I will just conclude by saying that after all of this discussion, I think we need to realize that what we are talking about is the money of the American citizen. Again, not the Government's money. It is time that we start leaving more of the American citizen's money with the citizen and not the Government.

This 104th Congress, I think, will go down in history as that session of Congress that finally stopped the financial decline which would lead to the ruin of this country and will return it to a financial stability that we will look back to with a great deal of pride some day.

Yes, we have some real tough votes that are facing us. But what Idahoans tell me is that we absolutely must balance the Nation's budget and we must do it by making it an evenhanded approach so that we can look and see that our neighbors also are taking part in the sacrifice. As long as all of us are sharing in this, this is absolutely the right thing to do for this Nation.

Mr. President, I want to commend Senator PETE DOMENICI and all the members of the Budget Committee that has brought us this budget resolution which is going to put us on that course so that we will have financial stability, so that the greatest nation in the world can look with pride to know that its future will be bright, that we will avoid that financial collapse we have been headed toward and, again, that all Members of this 104th Congress will know that some day we will be judged as that Congress that did the right thing by action and not rhetoric.

Mr. President, I yield the floor.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

GETTING THE BUDGET UNDER CONTROL

Mr. NUNN. Mr. President, I would just like to say to my friend from Idaho, I appreciate his remarks on the reasons for getting the budget under control and the historic nature of this undertaking. I, too, although I certainly do not agree with everything in the budget resolution and I have supported a number of amendments and will support others tomorrow, I, too, want to add my thanks and congratulations to Senator DOMENICI, the chairman of the Budget Committee, and others on the Budget Committee, Senator EXON and all who worked so long and hard, disagreeing often, but coming out with this budget resolution that at least is a beginning point in the debate for the road we must travel.

It is my hope that I will be able to support this resolution in the final analysis. It will depend on what amendments are adopted or not adopted tomorrow. But I certainly hope that I will be able to support it. It is my hope that when it goes to conference, the conference will look carefully at what the Senate did today in turning down the very large tax cuts that were proposed by the Senator from Texas. All of us would like tax cuts, all of us would like to return that money to the American people because it is their money, but I think the public overwhelmingly that I represent wants us to get the budget under control and does not want us to take steps that will make that more and more difficult.

We all know that there is going to be group after group coming here this summer that are going to be complaining about budget cuts, many of them with justification because they are going to be impacted. We all know that after that process starts, it is more likely there is going to be fallback in this regard. We all know that we need a reserve fund because we are going to have difficulties in implementation based on any historical examination.

So it is my hope that when the conference takes place, that the message, by a strong vote from the U.S. Senate, to concentrate on deficit reduction and wait until we have really accomplished that before declaring a dividend I hope sinks in.

IN MEMORY OF LES ASPIN

Mr. NUNN. Mr. President, I am deeply saddened by the death of my close friend and colleague, Les Aspin. Many of us in this body have known Les for many, many, many years and worked very closely with him.

Les Aspin devoted his life to public service. In his younger years, he served in the Senate on the staff of our former colleague, Senator William Proxmire. He also served as staff assistant to Walter Heller, the former Chairman of President Kennedy's Council of Economic Advisers and on the staff of Secretary of Defense Robert McNamara.

Les Aspin was elected to the House of Representatives in 1970, and he immediately sought and was granted membership on the House Armed Services Committee on which he later served as chairman from 1985 through 1992.

I had the great honor and privilege of working with Les since I came to the Senate in 1973. From 1987 through 1992, we served respectively as chairmen of the House and Senate Armed Services Committees. During that time, when our chairmanships overlapped, we developed a close personal and professional relationship, and we forged six National Defense Authorization Acts during that period.

Mr. President, these years were marked by national defense challenges of great difficulty and complexity. In 1987, the cold war had begun to thaw, but barely so. There were many divisions in Congress on national defense issues, ranging from the size of the defense budget to the procurement of particular weapons systems to the appropriate course of national strategy. At a time when many sought substantial reductions in national defense commitments and programs, Les Aspin provided a voice for a strong national security and a sensible American foreign policy.

As the former Soviet Union collapsed, many sought to rapidly dismantle our military establishment. Les Aspin recognized the continuing dangers facing the United States and successfully led the House of Representatives in support of a measured defense builddown, which was designed to maintain our military capacity in an era of defense reductions. Les was a particularly forceful advocate for defense conversion and retraining programs designed to assist military personnel, civilian workers, and the defense industry in adjusting to a new era with new challenges.

Les was also both an originator and strong supporter in the House, and as Secretary of Defense, of the program

that is known as the Nunn-Lugar program that works for nuclear and chemical dismantlement in the former Soviet Union that has been so effective in helping denuclearize three former nuclear states and also helped in dismantling both chemical and nuclear weapons. We have a long way to go in that regard, but Les Aspin was on board when that ship was launched, which is probably our most important national security challenge—that is, nonproliferation in the breakup of the Soviet empire.

During this entire period, I developed tremendous respect for the breadth of Les Aspin's knowledge and his devotion to the cause of national defense. Les was a brilliant analyst, but he was more than a scholar; he was an outstanding legislator and a master at putting together coalitions in the House of Representatives during a very tough period of time for national security.

I will always treasure the memories of working with Les on the House-Senate conferences on the National Defense Authorization Act that were enacted during the period in which we chaired our respective committees. The challenge of crafting a conference agreement was always daunting in the contentious atmosphere of the cold war and post-cold-war eras. Each year, hundreds of language and funding differences divided the two Houses—and we were continually faced with the threat of a veto over controversial issues such as the ABM Treaty, abortion, and prerogatives of the executive branch.

Les and I talked on the telephone and met very frequently, not just during conference but also in the months before we passed either the House or Senate bill. These meetings were quiet and unpublicized, but they enabled us to shape bills in both the House and the Senate which could be reconciled in conference and also signed into law by a Republican President.

Much as I appreciated and admired Les Aspin's policy and legislative skills, what I enjoyed most about Les was his sense of humor. Frequently, when a conference point reached its most critical point, we could count on a story from Les to break the tension and produce a bipartisan compromise. Nobody loved a joke more than Les Aspin, and I can still see that big grin on his face laughing heartily in the middle of a conference right at a crucial moment, which gave us the kind of balance, the kind of sense of priorities to understand that it was our job to reconcile our differences and to come to conclusions in the interest of national security. He never lost sight of the serious policy issues that confronted us, but he never got personal in his fervent support for one position or another.

Les Aspin served as Secretary of Defense during a particularly difficult time. I enjoyed working very closely with him and his staff during his tenure as Secretary of Defense. Lacking a cold war enemy and a national consensus on defense issues, Les was faced with the extraordinary challenges of managing a defense builddown while retaining essential military capabilities. The complex and new international circumstances surrounding events in places such as the former Yugoslavia, Somalia, and Haiti added to the complexity of his task. Throughout this period, he continued to work diligently toward building a new foundation for our defense needs in the 21st century. And as Secretary of Defense, he laid a foundation for the defense drawdown that hopefully will avoid the mistakes of the past. At least he did his part.

During his years of service as a Member of the House Armed Services Committee and as Secretary of Defense, Les continually fought for a strong, well-equipped, and affordable national security. He was always on the cutting edge of national defense policy during both the cold war and during the post-cold-war builddown. His creative approaches to national strategy, acquisition policies, and defense budget matters have made a lasting and indelible contribution to this Nation's security.

After his service as Secretary of Defense, he continued to serve our Nation as chairman of the President's Foreign Intelligence Advisory Board, as chairman to the Commission on Intelligence, and as a member of the Commission on Roles and Missions of the Armed Forces. It was in this capacity that I last talked to him on the telephone at length about some of the aspirations he had for changing our intelligence community. Les never lost his ardor or his commitment to public service.

Mr. President, the Nation has lost a devoted public servant who contributed much and who had so much more to contribute to our national security.

I have lost a valued friend and a real colleague, a friendship that I will cherish forever, and a man that I will miss very much.

I thank the Chair.

TRIBUTE TO LES ASPIN

Mr. WARNER. Mr. President, I would like to associate myself with the comments of our distinguished colleague from Georgia. Before he departs the floor, I thought we might put in one additional chapter in reminiscing about our dearly beloved friend, Les Aspin. It was a period when the two Armed Services Committees met, and I was privileged at that time for some 6 years to serve as ranking member, together with Senator NUNN as chairman, and Les Aspin as chairman of the House. I remember when we would act as the ''big four.'' If the Senator from Georgia will remember that——

Mr. NUNN. Along with Congressman Bill Dickinson.

Mr. WARNER. Yes, Congressman Bill Dickinson. There would be absolute deadlock in the conferences. The big four would sort of get off together, and the other members, I think they were slightly envious in some respects, but in other respects, they were glad they did not have to make the decisions the big four had to crank out.

Mr. NUNN. I think many times it was like we were the ''little four'' rather than the big four.

Mr. WARNER. That is correct. But my friend from Georgia is a man of great patience. Chairman Aspin would always be late, almost invariably late, and he would come in with a great swath of papers under his arm, down the hall with two or three staff people, and he would literally flop in the chair. He would consume the entire chair, and the papers would be scattered all over the floor. And, finally, the Senator from Georgia, who at that time was chairman of the Armed Services Committee, would regain his composure and we would start to resolve the problems. But it was a marvelous chapter in the relationship between the Senate and House Armed Services Committee, and Les Aspin was instrumental in seeing that we arrived at the proper decision which, almost without exception, was in the best security interest of this country. In those days, we had almost no politics that entered into the decision—occasionally, a ship here or a tank there, but other than that, it was straightforward, tough decisions on behalf of the country.

I join my friend from Georgia in saying how much we will miss our friend. I was with him just 2 weeks ago. I am privileged to serve on the Intelligence Commission, and Les Aspin was the chairman. We went down to one of the Central Intelligence facilities to spend a day. And I wish to add, Mr. President, that Zoe Baird is a member of that commission, and she called me just yesterday and expressed her great admiration. I would like to include that in my comments for Chairman Aspin of the commission. That commission will carry on and do its work, but he laid the foundation. I join my distinguished colleague in paying this brief tribute to our fallen friend.

Mr. NUNN. I thank my friend from Virginia. I remember those days very well, and I will always cherish the memories. I have to say that while Les Aspin would consume that chair, my friend from Virginia was usually consuming the sofa.

Mr. WARNER. That is quite true.

Mr. NUNN. For health reasons, though.

Mr. WARNER. In those days I had a bum leg. I think we should end this brief set of comments on behalf of the late Congressman Aspin with a smile on our face, because that is the way he would want it. I am glad that my distinguished colleague from Georgia mentioned the Bottom-Up Review. That was a document that was created and is still used as a benchmark for many of our discussions here. He had that foresight and courage.

My knowledge and friendship with the late departed Les Aspin began when I was Secretary of the Navy. He was off frequently as a severe critic of the Department of Defense during that period of time.

And I remember so well Melvin Laird was then Secretary of Defense and had a great respect and friendship for Les, but Les was a strong critic in those days. Now in hindsight, maybe some of his criticism was well-taken.

I yield the floor.

BUDGET RESOLUTION SUPPORT

Mr. DEWINE. Mr. President, I rise today to offer my strong support for the Senate budget resolution proposed and brought forward by Chairman DOMENICI.

Let me first start by congratulating the chairman for the absolutely tremendous job he has done. I am sure that there is not a Member of this body who would write the budget the identical way that the committee has written. I do not suppose the chairman would, either. I think he has done a great job. I want to congratulate him.

This is a historic moment. It is a moment where we will really determine whether this Congress has the courage, has the wisdom, to do what we all know we have to do.

Let me also congratulate my friend from Ohio, JOHN KASICH, chairman of the Budget Committee in the House of Representatives. He has done a great job, as well. For both of them and for the Senate this is a historic moment.

What I would like to talk about this evening, Mr. President, is the issue of this budget and how this budget that we will be voting on tomorrow, affects young people, affects children.

The truth is that we simply have to change the direction of this country. We have to face reality. We have to face the fact that America has a fundamental choice between two different futures: A future of responsibility and fiscal sanity on the one hand; or a future of economic catastrophe.

Catastrophe is a pretty harsh word, Mr. President, but I think it is accurate. When we fail to balance the budget for 26 consecutive years, when we add to the national debt until we are paying more in interest than we are paying for national defense, and when we have a debt that is nearly $5 trillion—$5 trillion—and no end in sight, what we have is a catastrophe. A catastrophe in the making. No more, nor less.

Mr. President, what we are really talking about is not dollars and cents. What we are talking about is our children and the quality of their lives. The sad fact is, Mr. President, that today to many of our children, America is a very tough place to grow up in.

I have previously come to the Senate floor and discussed the issue of our children. What I think is the biggest crisis facing this country is what is happening to our young people. Many of our young children are growing up in good conditions, but too many of them live in an environment that makes it very, very difficult for them, very problematic, as to whether they can succeed.

I have talked about this. I talked about the fact that this is the first generation in our history whose life expectancy is no greater than their parents because of deaths from auto accidents, deaths because of drugs, homicides.

A generation where young children are being born, one-third of all children being born today to parents who are not married; two-thirds of the children born in our inner cities are born to parents who are not married.

Probably, Mr. President, the most disheartening fact of all, is probably something that was encountered last year by the Presiding Officer as he traveled through the State of Missouri campaigning, as I found traveling the State of Ohio, and that is that people today do not believe their children will have a better life than they had. They do not believe the standard of living for their children will be even as good as they had. That to me is the most disheartening fact of all.

What do we do? Government has a role. I introduced my crime bill last week. I talked about the fact I was targeting money for more cities and for police officers to go in there, because too many of our young people live in an unsafe environment.

I will continue to talk about that in the months ahead. It is not just Government. We all have a responsibility. Communities have a responsibility. There are things Government can do and things that Government cannot do.

What I want to talk about specifically tonight is one thing that sometimes we forget does impact on children. That is the huge spending, the huge national debt, and the huge tax burden that we are placing on this generation of parents and on the next generation of our children when they grow up.

We are dealing, Mr. President, with a sad fact that the U.S. Congress makes the situation worse for our children by throwing away so many of America's resources in an utterly irresponsible manner. To pay for Congress' reckless spending, the Federal Government has to take far too much money from the parents of these children.

When my parents were growing up in the 1930's, their families had to work on an average until March 8 of every year to pay for Congress' spending. By the time I was growing up, and my wife Fran was growing up in the 1960's, a typical family had to work until April 16 to pay the taxes. Today, 1995, American families have to work until May 6 to pay their taxes. That is money that is stolen from families, stolen from children.

Sometimes it feels like America's parents are in a tug of war with the Federal Government for the resources they need to raise their children. Frankly, Mr. President, I am sure they feel on many days that the Government is winning.

This budget begins the process of restoring the resources to the parents. It is only a beginning, but it is a necessary beginning. We ask parents today to do a lot.

It is time for this Congress and this Government to stop hindering their efforts and to start helping. I think we sometimes forget, Mr. President, the tremendous burden the taxes place on the American family today and how many of the decisions of that family are made, forced to be made, because of that burden. Decisions about whether the mother, the father, both work; whether one spouse holds down two jobs or three jobs. All these things are impacted by the Federal tax burden. The Government impacts these families and puts a tremendous burden on these families.

Mr. President, I have talked about the fact that for some children it is not easy being a kid in America today. We have a lot of problems. Yet we continue to let the Federal Government deprive young parents of the resources they need.

Mr. President, if we do not act now and pass this budget resolution, it will get a lot tougher to change things in the future. If we keep spending at this rate, by the year 2012, 17 years from today, there will be nothing—nothing—left in the budget for discretionary spending on our domestic needs. Zero. Every last cent in the Federal budget will go to entitlements and interest payments. Think of that: Every cent will go to entitlements and interest payments.

Mr. President, those interest payments did not go to our children. They do not go to the kids. I do not think it is a surprise or a secret to also indicate to this body that, frankly, neither does most of the entitlement spending, either.

Mr. President, just a year before that year 2012, our grandson, Albert, will graduate from high school. In that year, our daughter, Anna, if things work out, will be in her first year of college. If we do not act today, Albert and Anna's generation will pay a severe human cost.

Between today and the year 2025, the Federal debt per person will continue to rise year after year after year. Today the debt on each person is approximately $18,500.

In the year 2025, it is going to be more than $60,000 for every single man, woman, and child in America.

Look at the modest sacrifices this budget resolution proposes, so that we can balance the budget. Then look at the incredible sacrifices that our children will have to make if we do not.

In this budget, we slow the rate of increase of fast-growing programs.

The alternative is a $60,000 debt burden for every person in America.

It is a clear choice, Mr. President. The longer we delay, the more it is

going to hurt. I say, let our day of reckoning be now, before it really hurts.

Many of the Senators speaking here on the Senate floor have focused on the pain that is contained in this budget resolution. But here are the facts.

We are not going to touch Social Security.

We are going to let Medicare funding increase, by an average of 7 percent. Each year, over the next 7 years. Let us look at children's programs.

Chapter 1. No cut.

Head Start. No cut.

Special education. Spending actually increases.

Women, Infants, and Children. Spending goes up.

School breakfast. Spending goes up.

School lunches. Spending goes up.

Over the next 7 years, we propose spending $815 billion on the following major means-tested programs affecting child welfare: Food Stamps. Earned income tax credit. AFDC and child care. Supplemental security income. Child nutrition.

For many reasons, this is a child-oriented budget.

This budget is designed to make tough choices now, so that our children will not have to face a lot tougher set of choices tomorrow.

Contrary to a lot of the rehetoric, we are not taking a meat-ax to this budget. What we have here is a scalpel.

America's fiscal policy today is on a glide path toward total collapse. I think a better way of saying it is we are on a glidepath to crash the plane. Anyone who looks at this budget and complains about deep cuts is on a collision course with reality.

If you think there are deep cuts in this budget—wait till you see the cuts that are going to be necessary, a few short years from now, if we do not pass this budget.

On the Senate floor, this budget resolution has been called a lump of coal for America's children. To call that absurd would be an understatement.

The alternative to this sensible, child-oriented budget is the bankruptcy budget that's already scheduled for the year 2012. That bankruptcy budget will become a reality for our children unless we act now.

To leave our children flat busted broke, less than two decades from today, would be a cruel act of child abuse.

Fortunately, the American people gave us a clear mandate last November. It was a mandate for change. When the debt is nearly $5 trillion, and bankruptcy is less than 20 years away, it is time to change course; to choose the future over the past; to do something that will earn the gratitude of the next generation of Americans.

Mr. President, the future of our children depends on the choices we make in this budget. Speaking for the people of Ohio, I think we are ready to do what is right.

Let us rescue our children's future. The first step is to pass this courageous budget resolution.

This is a moment of history. Each one of us in our daily lives, in our public lives, does things. We do things that we think are important. Frankly, I do not know there is anything we as individuals in our public life, or we collectively in the U.S. Senate, can do that will do more to change the direction of this country to have a positive impact on our children and their children, than to pass this budget.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I wish to compliment our distinguished colleague. It was well delivered, the set of comments. Indeed, I felt he explained with great clarity precisely what it is, namely the objective on this side in trying to proceed to reach a balanced budget.

I would like to address another aspect of this budgetary problem. Today, under the leadership of the chairman of the Armed Services Committee and Senator MCCAIN, we had a debate regarding the need for additional funding in this resolution for our national defense. I participated in that, as did every single Republican on the Armed Services Committee. I am pleased to say the distinguished ranking member of the Armed Services Committee, the Senator from Georgia, Mr. NUNN, likewise participated and indeed supported the amendment. The amendment was also coauthored by the Senator from Texas, [Mrs. HUTCHISON].

I would like to expand on some of the points that we made during the course of the debate today. I commend particularly the Senator from New Mexico, Senator DOMENICI, for his courageous proposal to balance this budget in 2002, but I regret that Senator DOMENICI was not able to put in that budget for the Senate, a level of funding which more closely matched that arrived at by the House of Representatives.

Mr. President, I am concerned about the security of our Nation as is every Member of the U.S. Senate. We face a world that has dramatically changed in the period that I have been privileged to serve here in the U.S. Senate. During the period where we had the cold war with the Soviet Union, we were able to make calculations with considerable precision as to the risk this Nation faced from communism led by the Soviet Union and its satellite Warsaw Pact nations, and develop in the course of time the exact weaponry that we believed was necessary to deter that risk. And, together with our allies in NATO, we did achieve the goal of maintaining peace in the European Continent in that period at the close of World War II until today. But with the demise of the Soviet Union, the risk became more difficult to calculate, and indeed, the range of weapons that this Nation needs and the level of the Armed Forces required to put in place the deterrent is far more complicated.

We now have experienced 10 consecutive years of lowering defense numbers. I repeat that—10 consecutive years. And we are now faced with a budget resolution that would make it 11 consecutive years.

As we speak here tonight, our Armed Forces are preparing, in a sense on standby, for the possibility of a mission quite different than that we envisioned during the days of the cold war, but no less inherent the risk of the men and women in the Armed Forces who may be called on to perform this mission. And that is the mission to assist the United Nations and NATO in withdrawal of the forces from that geographic area once known as Yugoslavia, namely the UNPROFOR forces.

I happen to be of the opinion that those forces have performed a successful mission. It is true that combat still rages, tragic killings, particularly in Sarajevo still go on. But had it not been for the presence of the UNPROFOR ground forces—and I wish to include, Mr. President, the very valuable and essential contribution of the U.S. forces in the air, protective role, and the sea role—which closed the ports going into the Pelagruz.

This past Friday, for an example, an article appeared in the Virginia Pilot. That article was entitled ''Naval Reserve Jets Activated for Duty in Bosnia Combat.'' That should really have read, ''activated for standby duty''. But, nevertheless, they were activated. May I read just a paragraph or two?

> For the first time since the Vietnam War a squadron of Naval Reserve warplanes is being activated and sent to the Mediterranean to join military operations over Bosnia. The deployment is part of the Pentagon's plan to rely more on the select Reserves during the military's downsizing.

That is a decade of downsizing that I addressed earlier.

This particular squadron is one I am familiar with, given they are in my State, and operate EA–6P's, which have a critical role in the suppression of what we call ground-to-air threats. They are few and far between, these aircraft in our inventory today. When a special mission like this occurs, we have to call on the Reserves and the Guard. I certainly wish to commend the role of the Reserves and the Guard in many operations in that conflict.

For example, I made two trips down into Sarajevo, and each time the transportation was provided by C–130's from Zagreb, Croatia, into Sarajevo and Air Guard units operated those aircraft. The crews were Air Guardsmen who had volunteered to come back on a period of active duty, some 6 months, some 12 months, and fly those dangerous missions. Indeed, those missions were dangerous. On my first trip in, regrettably, the aircraft right behind us—and they were staggered about every 30 to 40 minutes to an hour. They were staggered. The aircraft behind us was shot down with the loss of life. That is the type of risk that the Guard and Reserve units have taken.

Whether or not you believe that we should put U.S. forces at risk to carry out this ground mission, namely to help extract UNPROFOR, if the decision is made—and as yet it has not been made by the United Nations nor NATO—I am certain that the Members of the U.S. Senate will want to support the President, and provide that aid that is necessary to perform the extraction of those troops from the ground areas.

I am also certain that every Senator in this Chamber would support funding to ensure that our forces are trained and equipped to facilitate that extraction. That is the type of thing we are talking about here.

Last year we had to provide a supplemental. There is no way the President nor the Secretary of Defense can anticipate the contingency operations and the level of funding associated with those operations. That is why we must fully fund the basic budget of the Department of Defense and rely less and less on the supplemental type of funding.

We learned in Operation Desert Storm that well-trained troops equipped with modern weapons and equipment suffer fewer casualties if they are properly trained, properly equipped, and properly supported logistically. That is what we are talking about in seeking this added funding.

I regret that the Senate did not adopt that amendment today, and somehow we will have to revisit this issue and do the very best we can to make sure that the men and women of the Armed Forces today are as equipped, trained, and otherwise supplied as we have done historically throughout these many years since World War II for our forces who volunteer, All Volunteer Forces.

Mr. President, I yield the floor.

Mrs. HUTCHISON addressed the Chair.

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

Mrs. HUTCHISON. Mr. President, I want to commend the Senator from Virginia. I agree with him wholeheartedly. I think when we are here on the floor debating some of the toughest decisions that we are ever going to make in our lifetime, that these things, like the defense budget that lost today on the floor, will be coming back. We will be able to continue to debate the role of defense, and I think when we finish this bill that we will see a little shifting of the priorities towards stronger national defense for just the reasons that the Senator from Virginia states, that we have things coming up that were unforeseen that are not put in the budget, like the need for American troops to help with the U.N. evacuation of Bosnia, which seems to be a possibility on the horizon.

But the point is that these things are going to happen, and we are going to have to budget in a way that allows for those eventualities and those emergencies.

So, I think the point here is that we are here tonight talking about some of the toughest decisions that we are ever going to make. We are trying to do the responsible thing.

I appreciate the Senator from Virginia and his leadership in the national defense area. I appreciate his coming out tonight to talk about those priorities.

So, I thank the Senator.

Mr. WARNER. Mr. President, if I could ask the Senator from Texas to yield just for a moment.

Mrs. HUTCHISON. I am happy to yield.

Mr. WARNER. We are fortunate that we have the services of the Senator from Texas on the Armed Services Committee. She was one of the three sponsors of the amendment today to try to adjust this funding upward. As we talked, she did so because of the briefings we had before the Armed Services Committee. Indeed, the Presiding Officer this evening is a member of the Armed Services Committee, the Senator from Pennsylvania. We have been briefed on the proliferation of weapons of mass destruction, an ever-increasing threat, the proliferation of short-range ballistic missiles.

We have also been advised by General Clapper, of the Defense Intelligence Agency, that there are no less than 60 geographic areas in the world today which he considers—repeat, which he considers—could erupt into the type of combat which might require the necessity for the intervention of our allies, or, indeed, possibly the United States.

So I thank the Senator from Texas for joining this debate tonight, and particularly commend her for her leadership today on an amendment to try to restore some of the funding.

Mrs. HUTCHISON. I thank the Senator from Virginia. I am very pleased to have him in support.

I want to yield the floor to the Senator from the State of Washington because I know he has been very active in the budget debate trying to save the Medicare system for the people of this country.

That is what we are doing. That is what we have been doing this week and what we are going to be doing in the next few days. We are going to be doing the things that are necessary to save the Medicare system so that when our future generations need this care, it will be there because we have done the responsible thing this week in the Senate.

So I am happy to yield to the Senator from Washington.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

A MOST CONSEQUENTIAL VOTE

Mr. GORTON. Mr. President, this Senate is now less than 24 hours from one of the most consequential votes it has taken literally in decades. Sometime late tomorrow, it will have the opportunity for the first time in more than 25 years to vote for a budget resolution which will very clearly and very decisively put this country on a path to a balanced budget. Already, we have seen the positive impact of the very fact that this debate has begun. We have seen it in an increase once again in the value of the dollar, a value that collapsed on the occasion of the failure of the balanced budget amendment. We have seen it in lower interest rates, lower interest rates that mean that more and more Americans now can purchase the home of their dreams, can borrow money to begin or to expand a small business, can begin those businesses which will provide opportunities for others.

This has taken place just because for the first time the people of the United States believe that this new Congress, the House and the Senate, are serious about terminating a state of affairs in which each year we add $200, $250, and $300 billion to the burdens imposed upon our children and grandchildren for spending for programs we are unwilling to pay for.

And yet, in spite of the lip service given by almost all Members to the abstract desirability of a balanced budget, resistance will continue in a rear guard action, in close votes on the floor of this body, from those who are absolutely dedicated to the status quo, who feel that while maybe it might be a good idea someday to have a balanced budget, not, O Lord, in our time, not with our votes. Or, if it is desirable to do it now, always in a different way than that proposed by what I confidently expect to be a majority of this body tomorrow evening.

Now, Mr. President, I do not think it appropriate for us to disguise the fact that there will be programs reduced, cut, the growth slowed in programs that provide desirable dollars for a wide range of interest groups in this country, and they will let their views be heard. They are represented eloquently by Members of this body who can see the trees or perhaps the leaves on the trees but not the forest itself, for whom a balanced budget, fiscal responsibility, the exercise of a moral responsibility to our children and grandchildren not further to subject them to debt is less important than a particular group or a particular program.

And so this contest which began at the beginning of this Congress and will reach one of its climactic votes tomorrow is a contrast between those who believe in, who speak for, who demand a different and more responsible direction for this country and those who, like the President of the United States, simply believe that the status quo is perfectly all right. Their view is the single worst thing we could possibly do would be to return a single dollar now being taken in the form of taxes from any group in the American people to the pockets of those American people even if that dollar came from a fiscal dividend resulting from a balanced

budget, came because we will pay less in interest on the national debt as interest rates decline, came because the economy grew and more people were at work at better jobs as a result of what we do.

It is ironic that the President's chief economic adviser, Laura Tyson, is quoted as having said recently,

> Any effort to reduce Government spending takes a dollar out of the economy which means a dollar in reduction in demand in the economy so it increases the contractionary risks on the economy.

Mr. President, I think that states all too well the views of this administration and of those who oppose this budget resolution. Their view is that the only real prosperity comes from dollars spent by the Federal Government. In fact, that statement by Ms. Tyson is so extraordinary that one would expect her to suggest to us that we perhaps spend another $100 billion during the course of this year borrowed from whoever would lend it to us because obviously that is the road to prosperity. If we cannot subtract $1 billion because it will have a contractionary effect, presumably we add $1 billion or $10 billion or $100 billion so we can spend our way into prosperity. But that is exactly what this administration has been doing, and it does not work.

Not only will this budget benefit the economy, not only will it mean more dollars in the pockets of individuals as they look to purchase their homes or start or expand their businesses or look for new opportunities, it will also mean a discipline on the Government itself. Perhaps we will not end up having 163 different and competing job training programs. Perhaps we will not have dozens or more of competing specific kinds of educational programs or subsidies for one business or group or another. Perhaps—and I am convinced this will be the case—we will use this budget to reform the Medicare health insurance fund so that it will actually be there in 7 years for the people who need that hospital insurance. Certainly this administration has ignored completely the voices of its own trustees of the Medicare hospital insurance fund who have told us and the administration that something must be done or that insurance fund will go bankrupt. But that is later; that is in the time of another President, another Congress; they can worry about it.

That seems to be the status-quo view which we are fighting so diligently to change.

So, Mr. President, it is well worth our while, well worth the while of those Senators who have chosen to be here this evening to take one last opportunity to speak to their colleagues and to the country about the radical change in direction that we propose, a direction of fiscal responsibility, a direction of exercising our responsibilities to future generations, a direction which can lead us to prosperity, a direction which can benefit every citizen in this country. That, on the one hand, and, on the other hand, a passionate defense of the status quo: Nothing is wrong with this Government; all of the programs it has ought to be continued; we cannot do anything; we should go on automatic pilot.

That is a disappointing set of criticisms of our society today, Mr. President. It is not what last fall's election was about. I hope that with the help of the majority of my colleagues that tomorrow a majority in this U.S. Senate will put this country on a different path, a path that it has not trod for many years, a path to a better America.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

WAGING WAR AGAINST THE HUMAN SPIRIT

Mr. ASHCROFT. Mr. President, as we continue to debate the budget resolution setting the spending levels for the next 5 years, we do so with the knowledge that one of our greatest challenges is moving the Nation's needy from governmental dependence to economic independence.

One of our challenges is to ensure that hope and opportunity are defining characteristics for all Americans. This was the challenge 30 years ago when the great movement reshaping world politics was the end of colonialism. John Kennedy celebrated the ''desire to be independent,'' as the ''single most important force in the world.'' Eventually this movement revealed its power from Asia to Africa to South America.

The problem with imperialism was not just its economic exploitation, it was its influence on culture. It undermined traditional ways and institutions, and it was inconsistent with human dignity.

Why? Because imperialism rewarded passivity and encouraged dependence, required citizens to live by the rules of a distant elite. It demanded people be docile in the face of a system that they could not change. It was an attack, not just on national sovereignty, but on national character.

What our Washington-based welfare system has done, particularly to women and children, has been to fashion a new form of colonialism. It created an underclass that is paid to play by the rules that lead to dependence, rather than act with independence and dignity. Our welfare system rewards behavior that keeps people powerless. It thwarts the efforts of private and religious charitable organizations to care for the needy. It discourages the genuine compassion of the American people. Our welfare system has waged a war against the human spirit.

Our goal in welfare should not be to maintain an ''underclass'' in as comfortable as possible circumstances. Yet that is precisely what our welfare system has done. Cash benefits anesthetize their suffering. Food stamps relieve their hunger. Health care and housing are provided. But the hope, the dignity, and the integrity of independence are forgotten.

Consider, just briefly, what our current welfare system has wrought. The numbers alone are enough to numb the senses. Since 1965, we have spent more than $5 trillion, a cost higher than that of waging the Second World War—fighting poverty. Yet today, there are more people, a greater percentage of Americans, living in poverty than ever before. And our safety net has not acted well, the safety net has become more like quicksand.

In 1965, when President Johnson launched the war on poverty, there were approximately 14.7 million children in poverty. They constituted about one in every five children in America. But in 1993, there was a greater percentage of children in poverty than there were in 1965 when the Great Society programs were launched. It is pretty clear that the Great Society experiment has not been so great for America's children.

Of all age groups in the nation today, children are the most likely to be poor. In 1991, a study of the poverty rates in eight industrialized nations revealed that American children were almost three times as likely to be poor as children from the other nations studied.

The character of the poverty we face today is also a more deeply entrenched poverty in which generations of people are born, live, and die without the experience of holding a job, of owning a home, or of growing up with a father's love and discipline.

Go to our inner cities—or just a few blocks from this building—and you will meet a generation fed on welfare and food stamps, but starved for nurture and hope. You will meet young teens in their third pregnancy. You will meet children who are not only without a father, but do not know any children with a father. You will talk with sixth graders who do not know how many inches there are in a foot—having never seen a ruler—and with first graders who do not know their ABC's because no one ever took the time to teach them.

The political elites that have spent and taxed in recent decades have redistributed wealth beyond the dreams of Roosevelt and Johnson combined. But in the Government's war on poverty, poverty is winning and the casualties are the poor, and the casualties are our children. The casualties also include the future, because we have piled budget after budget high with debt. Hope and opportunity are missing in action. Programs and policies that once were judged by the height of their spending must now be judged by the depth of their failure. This is no longer a source of serious debate, no longer a matter of partisan politics, but it is a matter of national concern—it is a concern that has been reflected in our news magazines, on the covers of U.S. News and Newsweek, and Time.

I have a belief that is confirmed by the record of our times, and it is this: That the greatest, most insistent human need is not the need for subsistence, nor handouts, nor dependence—it is the need for independence. Not the kind of independence that suggests one person can live without another. No, quite the opposite.

The independence of which I speak is the independence born of economic self-sufficiency and opportunity. The independence to dream, to pursue and fulfill our deepest wishes and our personal potential.

This is something, Mr. President, that social architects cannot build, they cannot plan. It is not structure, it is spirit. It is something that our welfare system has lacked for the last 30 years as we have sought to merely spend our way into a new kind of opportunity. But we have spent our way past opportunity into peril.

I believe it is time again to create a welfare system that helps, not hurts, those it seeks to serve. And such a system would be a major part in controlling the spending which has plagued this Nation and now threatens future generations. A system that helps rather than hurts. A system that serves is the standard by which welfare reform must be judged, not just the utopian ideal.

Today, I introduced the Communities Involved in Caring Act. We call it CIVIC. We do not expect this Act—a package of 5 bills—to be the long-awaited answer to all of our welfare problems by itself. But we do believe that it is a significant step toward restoring opportunities of dignity through independence and access to the world of upward mobility.

The act is predicated on three fundamental beliefs:

First, that States need the maximum flexibility possible to reform welfare systems.

Second, that our intermediary organizations—especially private and religious charitable organizations—need to be utilized in welfare reform.

Third, that intermediary organizations need not only money, but they need volunteers; they need the personal participation of individuals to flourish.

The CIVIC Act which I introduced earlier today would block grant Washington's four main welfare entitlement programs—AFDC, Food Stamps, Supplemental Security Income, and Medicaid—to the States. It starts by capping the spending on AFDC, Food Stamps, and SSI, and then Medicaid would be limited in growth to 105 percent each year—meaning of 105 percent of each previous year. Given the fact that Medicaid has been growing at well over 10 percent a year, this would be substantial restraint in the program's growth, but not a cut in the program.

The programs under the block grants would also be extricated from their existing bureaucracies—at HHS, Agriculture, etc.—and turned over to the Department of the Treasury to be distributed to the States. The unique feature of this proposal is that the money would go directly from the Department of the Treasury to the States, and it would not be a part of any bureaucracy in Washington, D.C. that would consume much of the money before it ever gets to the States.

Mr. President, Treasury's oversight role would be minimal because the only qualifications on the block grants would be:

First, that States would be required to require welfare recipients to work. How best to do that. The nature of the work. The level of the participation. All of those issues should be and would be left to the States to determine; and

Second, that States that decrease illegitimacy, using existing governmental statistics as a measure, will be able to use a portion of their block grant for elementary or secondary education or any other purpose they desire.

The CIVIC Act also provides explicit authority for States to contract with nongovernmental organizations, including private and religious charitable organizations, and other institutions, in the effort to help solve the welfare problem.

We have all heard the stories of small organizations that are hugely successful in helping America's poor. Unfortunately, many of these programs have been constrained from receiving Federal funds because all too often those Federal funds would require radical changes in their beliefs, their structure, their facilities, their program, or their organization—changes that would rob these programs of the very characteristics and attitudes that make them successful.

However, under the CIVIC Act, States would be able to utilize their Federal block grant funds by either contracting with these organizations directly or by giving welfare recipients certificates so that they could choose which programs to get involved in.

The final element of the CIVIC Act allows individuals who volunteer at least 50 hours per year, or approximately 1 hour a week, to charitable institutions that serve the needy eligible for a $500 tax credit for monetary donations to such charitable organizations. Just as the welfare recipients should work for their benefits, so the citizens who want enhanced tax benefits for their contributions should also work and volunteer in the organizations they contribute to.

Mr. President, it is all about opportunity; it is about working together. When he traveled through America more than 100 years ago, the great French observer, Alexis de Tocqueville, was struck by how caring Americans were for each other.

> The Americans . . . regard for themselves, constantly prompts them to assist one another and inclines them willingly to sacrifice a portion of their time and property for the welfare of others.

What the Act I introduced today seeks is to undo 30 years of Washington discouraging that very basic American instinct to help one another. The ideas in the Act are not new. They are, in fact, old ideas in America. They have been tested and found successful.

About 100 years ago, cities like New York were littered with alcoholics and addicts. Orphaned children roamed the streets. And if all of New York City's liquor shops, houses of prostitution, gambling houses, and other low-life establishments had been placed on a single street, they would have extended from Manhattan's City Hall to the City of White Plains more than 30 miles away. On that street, there would have been a robbery every 165 yards and a murder every half mile. And in Brooklyn, one out of every ten people got food from public storehouses.

These pathologies met their match, Mr. President, in society's intermediary, nongovernmental, voluntary, private institutions of charity and assistance. Their warm-hearted and hard-headed approaches—and you can have a warm heart and a hard head when it comes to making sure that we change such circumstances—helped save women and children and men. As the historian Marvin Olasky notes, ''The solutions these reforms came up with forestalled an epidemic of illegitimacy and saved thousands of children from misery.''

I believe that as we confront our own social pathologies today, we must do it the same way—with the ideas that have worked in the past and yet with new ideas for the 1990's—even though they may have been the standard fare of the 1890's. We must meet our challenges with a greater role for States and a greater role for intermediary institutions, nongovernmental organizations, private charities—both larger ones like the Salvation Army and Goodwill, and smaller ones like Best Friends and the Sunshine Mission.

So while the CIVIC Act begins the process of moving welfare from Washington to the States, it also begins the vital task of reinvigorating our private, nongovernmental organizations which can help meet the deepest needs of our citizens, organizations that we know will help solve our welfare problems.

The change that we want to see will not occur overnight. Neither will it come without hard work or thorough debate. The end of colonialism was not an easy process either. For independence means risk, the sacrifice of security.

Well, security, coupled with dependency is a bad bargain. Economic mobility means work; it means hard work. But no nation and no people who have ever tasted the sweet fruits of freedom has ever called for a return to its colonial dependency.

I believe that if we want to make sure that we are free and we remain free, we must reform the welfare system. It can be a part of a large reform in which we reform the financial integrity of America, for we cannot hold

hostage future generations to the spending of the present.

As we seek to pass the budget in the hours ahead in this Chamber, it will be a pleasure to do so in a way that not only puts us on a footing of sound financial integrity, but establishes us on a path toward economic independence and opportunity for individuals —through a reformed welfare system, characterized by block grants maximizing the States' flexibility and innovation, and characterized by Government joining hands with nongovernmental agencies in order to bring to the battle the energies and talents of this great Nation's private citizens.

Thank you, Mr. President.

Mrs. HUTCHISON. Mr. President, I want to thank the Senator from Missouri. He was a former Governor, so he is one of the experts that we are going to have in this body when we deal with the very, very tough issue of choices as we reform the welfare system.

I think it is really appropriate that he has taken a leadership role in this. Once again, what we are showing tonight is the tough decisions that must be made to balance the budget, which the people of America asked us to do. So I appreciate the Senator waiting for so long and giving that great talk about the bill he introduced today and the choices that we are going to face today and tomorrow.

Mr. ASHCROFT. Mr. President, I thank the Senator from Texas for her kind words.

Mrs. HUTCHISON. Mr. President, I would like to yield to the Senator from Wyoming.

Mr. THOMAS. Mr. President, I am glad to join my colleagues this evening in continuing this discussion. By noon tomorrow, we will have had 50 hours of talking about the budget. I guess after 50 hours, your eyes kind of glaze over. But the fact is that there is nothing more important that we will talk about during this Congress. It becomes difficult to find something new to say about the issue after 50 hours. But maybe that is not important. Maybe the important thing is to stress those things that are necessary, those things that are important, those choices that we do have.

It has been 10 days since the Republicans presented a balanced budget plan, which America has been waiting for. In that time, the deficit has increased another $4.9 billion. It added $19 for every American.

The Republicans are working to end Government's relentless borrowing. The Republican plan would balance the budget by the year 2002 by slowing the growth in the Federal spending from 5 percent to 3 percent.

It protects Social Security, saves Medicare from bankruptcy, maintains a Social Security safety net, reduces the size of the Federal Government, and moves power out of Washington and back closer to the people.

Republicans want to transform Government to make it more efficient and more responsive and less expensive. Democrats, meanwhile, are standing up for the status quo. They have offered no plan to balance the budget.

Mr. President, this debate has been characterized by almost everyone who has risen, has stood up and said, ''I want to balance the budget but we cannot cut''—blank—and fill in the blank. Medicare, earned-income tax credit, defense, education, whatever.

So we always say we want to balance the budget—but for a million reasons we cannot do it. I am confident that we shall for the first time in 25 years balance the budget—tomorrow. Starting on the path to balance the budget.

It is awfully hard. These are large figures, talking about $5 trillion. Who knows what $5 trillion is. I read something the other day that sort of personalizes this. I thought it was interesting.

Someone asked, how do we identify the Federal budget with something that is closer to a personal budget? This is what the answer was, and I thought it was interesting: Suppose you have an income of $125,000 coming not from work but from contributions of all your friends and relatives who work. You are not satisfied with what $125,000 can buy this year, so you prepare for yourself a budget of $146,000 and charge the $20,300 difference to your credit card on which you already carry an unpaid balance of $452,248, boosting that to $472,548 on which you pay interest daily. Multiply that by 10 million and that is what our Government did in fiscal year 1994.

This is clearly the most important element of debate for this year. Not just because of the dollars, as important as they may be, but because we have an opportunity to examine and to change and to look at the role of Government, look at those things that should logically and legitimately be done by the Federal Government, do something about those that should be done in private sector. To take a look at the size of Government. Clearly, voters said last year, Government is too large and costs too much.

So we have a chance to do that. We have a chance to make major changes, the first really major changes in 25 years. To do that, and I believe very strongly and we have done some of this, we have to make some procedural changes. We cannot simply continue to do what we have been doing and expect to get different results. We have to do things like line-item veto, which we worked on. Have to do something about unfunded mandates. I think we should do something about term limits. I think we should have had a balanced budget amendment to the Constitution and we will go back to do that.

We did not accomplish that. We failed by one vote in this Chamber. Now we have the opportunity to do what many opponents of the balanced budget amendment said, and that is we do not need an amendment, we just belly up to the bar and do it. That is what we have an opportunity to do.

The record is not good. Sure, we can do it and we will do it. We have not done it for 25 years. We will raise the debt limit to $5 trillion this summer. The administration budget has $250 billion in deficits out as far as we can see. The size of Government is growing. So for the first time we have an opportunity to do something different.

Clearly, there are different philosophies about Government. There are different philosophies about what the size should be. That is fine. That is the way it should be. That is what elections are for, so people can make a decision between two choices.

There are those in this body and other bodies and in this country who say the Government should be larger, the Government should do more. In fact, the Government does a better job of spending dollars than families do and businesses do. That is, I suppose, a legitimate view. It is not my view.

So we do have differences and there are differences. The Republicans would like to have a smaller Government that costs less, that is more lean, and efficient.

Democrats, on the other hand, have moved toward more Government and more spending. Republicans want to transform Government, something that is more efficient, to deliver services more efficiently. Welfare is an excellent example. Nobody wants to eliminate welfare. We want to be able to help people who need help, but to help them back into the work sector. We want a Government that is more responsive, that is more customer oriented. One that is less expensive.

The administration, on the other hand, and our friends on the other side of the aisle, support the status quo. There is no plan to balance the budget.

The President, as was suggested yesterday, is AWOL, absent without leadership, on finding a way to balance the budget. No options on how to save Medicare despite the fact that the trustees have said in no uncertainty that if we do not do something, in 2 years we will be dealing with the reserves, and 7 years Medicare will be broke. No welfare reform proposal.

We have an opportunity to do something. The administration's track record, of course, over the past several years has been to raise taxes and expand the Federal Government. The 1993 budget, the largest tax increase in history, nearly $260 billion. We hear it was just on the highest percent—not so. Gas tax—my State has probably the largest per capita gas tax increase of all because of the miles we travel.

Mr. President, we do have a chance to do something. If spending remains at the same level for the Government programs in order to balance the budget by the year 2002, we would have to raise taxes by $935 billion, $7,400 for every American taxpayer. That is the choice. We either level off growing or we raise taxes.

We have a vision of keeping our promises to make Government smaller, to reject the status quo, balance the budget by the year 2002, protect Social Security, save and improve Medicare, and return power to the communities and to our families and the States.

Mr. President, I am pleased we are moving in this direction. I feel confident there will be a positive vote tomorrow, to make these kinds of changes. I thank my colleagues for continuing to point out the choices that we have before the Senate. I urge my colleagues to support this budget plan. I yield the floor.

Mrs. HUTCHISON. Mr. President, I would thank the freshman from Wyoming, the freshman Senator, for adding to this debate. He has really been there through all these days, talking about the important issues that we are facing and the tough decisions that we are going to have to make. I appreciate the fact that he has just hit the ground running in the U.S. Senate, and I am pleased he stayed tonight along with his wife, to make the remarks that he did. We appreciate it very much.

Now I would be happy to yield to the Senator from Iowa for 10 minutes.

THE PRESIDENTS ''SECRET'' BUDGET PLAN

Mr. GRASSLEY. Mr. President, I thank the kind Senator from Texas for yielding.

I want to commend the Senator for her leadership in shepherding the services tonight, of making sure that the other point of view, the responsible financial point of view, is expressed here tonight, when elsewhere in this town we know there is a very antipeople probig Government point of view being expressed at a fundraising party for the Democratic Party.

There was a story this morning on the front page of the Washington Post. I think it has a lot of Members on this side of the aisle, and probably people across the country, just simply scratching their heads. The report says that President Clinton now has a secret budget counter-proposal. Do you know what? It will balance the budget within 10 years.

Mr. President, if this is true—and I suppose I ought to hope it is true because I have been praying for a balanced budget from this White House for a long time—it is truly an amazing story. First of all, it undercuts all the wailing we have been hearing from the White House about the effect on the economy and the public of setting an arbitrary date for a balanced budget. That is making fun of us Republicans for trying to balance the budget by the year 2002.

It seems that all we have heard for the last month out of the White House is, ''What is magic about a certain date to balance the budget?'' If you balance the budget you would ruin the economy. If you balance the budget you would do this to that group, or that to another group. Now, all of a sudden in the Washington Post, the President says that he wants to balance the budget—albeit in 10 years.

I think even members of the President's own party and members of the President's party in both chambers of the Congress had earlier disagreed openly with the White House on this point. There was disagreement on what to do. Do you know what? The Members of the Democratic Party up here on the hill, they look to the President for leadership.

The message they got was to stay the course. The President said just keep to it, stay the course. That is, offer nothing in rebuttal to the Republican attempt to balance the budget. No vision from the White House; no alternative from the White House.

And, do you know what? The Members up here on the Hill were very obedient, listening to their President. So they refrained from offering their own balanced budget alternative, or any other comprehensive alternative to the Republican efforts to balance the budget.

So, the members of the Democratic Party stood idly by during this budget debate and risked their credibility because they wanted to follow their leader, our President of the United States. Now, with this new development that the President is for a balanced budget, albeit in 10 years, they, the members of the Democratic Party in the Congress of the United States in both Houses of the Congress, also are undercut by their President just like members of the White House staff have been. Just like he undercut the recent arguments of everybody on his staff that was trying to defend his position of just stay the course. Do not offer an alternative.

Second, this also says that the Republican vision of a balanced budget is right after all, and it is filling a very enormous political void. The American people know where we stand and they do not know where the other side stands. The American people know what the Republican Party stands for. They do not know what the Democratic Party stands for. They do not know because for several months, until this very day, they were told a balanced budget did not matter. They were told that we should not have an alternative, as Democrats, to what the Republicans were trying to do.

Also, there is a third aspect to this. Because, in filling that void and because the President is now coming around to accepting the premise of the Republican vision for the future, this new development is a powerful demonstration of the President's lack of leadership. Because, you know what? The lack of leadership demonstrates followership. It leaves a perception of a desperate move to be included. The President of the United States wants to be relevant, finally, in the debate for a balanced budget.

It shows that our Republican call for the other side to put up or be silent has had an effect. It shows that we have opened up a big weakness in the other side's flank, namely its very own credibility. Because you cannot talk the talk until you walk the walk. Everyone knows that. Everyone outside of Washington.

Now, obviously the President knows it as well. The time to show relevance and to show leadership on the part of the President was last February. That is when the President proposed. The Congress is now disposing. The process has passed the President by. The ship of state has left the dock.

It is as if the President is trying to rush ahead to the next port to catch up with the ship. The problem is the ship is not scheduled to stop there. And it will not.

Mrs. HUTCHISON assumed the Chair.

Mr. GRASSLEY. Madam President, I think it is clear that the leadership, the vision, and the direction for this ship of state are coming from this side, the Republican side of the aisle. It all happens to be reflected in the budget debate of the last 4 days, the amendments offered by the other side, the absence of a comprehensive balanced budget alternative from the other side. And I think it will be demonstrated by the overwhelming vote for a balanced budget tomorrow.

Now, the President of the United States, on the other hand, missed the boat. His party is still standing on the dock. He stranded them there. He asked them to wait there until he could catch up with the ship out at sea, but it is too late. We Republicans have a vision and we have a plan to steer this country to the safe waters.

I ask, where is theirs? Where is their comprehensive alternative plan to balance the budget? Where is their coherent vision? Where is theirs?

It is lacking. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

THE PRESIDENT'S BUDGET

Mr. SANTORUM. Madam President, I want to pick up where the Senator from Iowa left off. I think he made some very good points with respect to where the President's budget is. I noted also the same Washington Post article today. It suggests ''President to Counter Hill Budgets. Plan Would End Deficits in 10 Years.''

This was not released by the White House. This was released from a private interview up in New Hampshire that was leaked out somewhere, that the President is coming up with this secret plan to balance the budget in 10 years.

It struck me. It tickled my memory, that I heard this about this 10-year plan before. It was from my first year in the Congress. I remember, as a member of the Budget Committee, I was a freshman member of the Budget Committee and then chairman of the Budget Committee, Leon Panetta, now over at the White House, came up with a 10-

year balanced budget. They worked on it most of the fist year that I was there and I think released it in about October of the year. It was after the debate. This was for the next fiscal year.

It was interesting. I do not know whether the budget the President is considering is going to look like the budget the Congressman—then Chairman of the Budget Committee—Panetta offered. But at the time, to get to a balanced budget—this was in October of 1991, I refer to the Congressional Quarterly article—at the time Chairman Panetta said that it would take $1.3 billion in cuts or tax increases to get to a balanced budget in 10 years. What we are doing here in the Senate today with Senator DOMENICI's budget, the Republican budget, is roughly a trillion dollars, not quite a trillion dollars in spending reductions to get to a balanced budget. Then we have obviously interest savings which get us the rest.

I had the Budget Committee staff run the numbers. If the President is proposing to get to a balanced budget over 10 years, not 7 years, he will not be able to do so by cutting the trillion dollars over 10 years. That is the fallacy. You cannot just cut $1 trillion over 10 years, and balance the budget because you have to get on sort of a longer curve. Your spending cuts do not occur early enough. You build up more debt. It is a lot more costly to balance it over a longer period of time. The Budget Committee told us that it would require $1.6 trillion in spending cuts or tax increases to balance the budget in 10 years, $1.6 trillion.

The $1.3 trillion in the Panetta proposal of 1991 included deeper cuts in defense, entitlement spending reductions—I remind people entitlements are things like Medicare, Medicaid, welfare spending, things that are now being lambasted by the other side of the aisle—a broad cut back in the size and cost of government, and $250 billion to $400 billion in new taxes; $400 billion in new taxes.

Is this a harbinger of things to come? Have we fished out of the files from the old Budget Committee in 1991 the 10-year budget proposal for the Clinton administration to balance the budget with a third of the money coming from new taxes? But this is just all speculation because we have not seen the President's budget.

So I have the unpleasant task of returning to the floor to add to the list of numbers on my chart of days with no proposal to balance the budget from President Clinton. Since I had objections from the other side of the aisle about using staff to actually put my numbers up, I will do the chore myself, and put ''day 6,'' potentially a significant date.

We might have learned about the secret budget, the existence of this document. We may have learned just from some of the detective work I have done that there may be a plan out there that existed a few years ago that may be resurrected because under the democratic rule in the House of Representatives this balanced budget that the Budget Committee chairman put together never saw the light of day, never was voted on, never was debated in committee, never moved past the draft stage.

Maybe we will get it past the draft stage this time. Maybe the former chairman of the Budget Committee will be able to resurrect this handiwork that he did some 4 years ago and bring it on the scene as the new budget for the President.

I will tell you that it would be a long time coming, not just the 6 days, but to provide some leadership out of the White House on this very important issue to this country.

I remember during the Republican administrations the then-chairman of the Budget Committee, Chairman Leon Panetta, coming to the floor time after time after time making statements about how it was the responsibility of the President to be relevant to the situation, to not put up these budgets that were dead, that had no chance, but to be bold and to move forward.

I quote from March 13, 1986. This is Leon Panetta speaking:

> We begin a game of ''budget chicken'' in which we wait for the other side to make the tough choices that have to be made to try to get our budget in line. It is a lousy way to do business; we all understand that. It is what gave birth to the Gramm-Rudman approach, and it is what creates the frustration that we now deal with here.
>
> The hope is that the President would exercise leadership in presenting a budget to the Congress that is realistic and that is serious. But instead of pulling together, he pulls apart. Instead of providing leadership, he plays games. The danger is that we too fall into the same trap. This budget is wrong; we know it is wrong, and it will fail for several reasons.

Just as the President's budget came to the floor of the Senate. It was wrong, and it failed completely, and did not get one vote.

I say that the former Congressman from California, Leon Panetta, made a good point about that back on May 1, 1990, talking about a Bush budget. He said:

> The fact is that the test of a budget is not what it says it does nor even its author. It is whether or not you get a majority of votes on the floor of the House and in the Congress. That is the ultimate test of the success or failure of any budget.

The fact is that the test of a budget is not what it says or does or even its author. It is whether or not you get a majority of votes on the floor of the House and in the Congress. That is the ultimate test of the success or failure of any budget.

That speaks volumes about the President's budget that he sent up here; speaks volumes about how serious the President was when he presented his budget to the U.S. Congress and in the U.S. Senate of which there are 54 Republicans and 46 Democrats. He got no votes.

Then chairman Panetta went on to say:

> According to that test, the President's budget is a failure. The failure to offer the budget by the President also makes clear how tough it is to develop a budget that balances the priorities, that recognizes that we have to provide new directions for this country and that tries to achieve a majority vote on the floor of the House.

How things can come back to haunt you. We had a chairman of the Budget Committee who was pleading for the President of the United States to provide leadership, to stand firm, and move our country forward in a bold, new way. Now that person sits as the right hand man of the White House, and from all the press reports is advising the President to do just the opposite. I guess it all depends on where you sit.

I must read one more thing that Leon Panetta said during his time in Congress because my staff gave it to me. I actually thought it was something that I had just said the other day because I was talking about the fact that my father is an immigrant to this country and how important it was for us to leave the next generation better off than the generation that we now live in.

Back on May 4, 1989, CONGRESSIONAL RECORD, Leon Panetta said:

> We have presented over the last 8 years a pleasant message that somehow everyone can have a free lunch in this country. That is not the case. That is not the message that my parents heard when they came to this country as immigrants with little education, little money, but a great deal of hope. They came for the opportunity that this country offered and the willingness to make a sacrifice for their children so their children could enjoy a better life. We now face a situation where our children may not enjoy a better standard of living than we had. That, I think, is the worst testament in terms of the future that we face in this Nation.

He is right. That is the biggest question that faces us. What are we going do leave to the next generation? He was right in 1989. He was right in 1986. He was right in 1990, and hopefully he will convince the President to be right in 1995 to join the debate, to lead, to be relevant, to show this country, to show this Congress what direction he believes we should take to balance this budget.

I hope this is the last day; I hope that day 6 was lucky, that this little inkling that we got about this secret budget might come out somewhere, that there is a plan, and that we will be able to know this plan. I do not want to be up here for the next 129 days between now and the end of the fiscal year talking about why the President has not come to the party and express his vision for the future of this country.

I am confident tomorrow we will pass the balanced budget resolution. I hope it is bipartisan because I know there are many on the other side of the aisle who also would like to see this budget brought to balance.

I wish to commend the Senator from New Mexico for his fine work on this budget. I wish to commend the Presiding Officer for the tremendous job she

has done every day of this debate in rallying the forces to come here to the floor to talk about the positive aspects and how meaningful it is to get to a balanced budget for this country and not just the next generation. A lot of the talk is just for the next generation. When we talk about Medicare, it is not the next generation. It is this generation of Medicare recipients. When we talk about economic growth, it is this generation that is going to benefit from lower interest rates and higher growth rates.

This balanced budget is for everyone. As the Senator from New Mexico said in answering the question Senator LAUTENBERG posed: Whose side are you on? We are on America's side. We are on the side of all Americans. That is the beauty of a balanced budget. It is good for everyone. It is not about class warfare. It is not about picking winners and losers. It is about giving everyone opportunity.

I yield the floor.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

(Mr. SANTORUM assumed the chair)

INCREASING AMERICAN PRODUCTIVITY

Mr. FRIST. I rise to commend my distinguished colleague from Pennsylvania, the Presiding Officer, and especially the chairman of the Budget Committee, Senator DOMENICI, for the outstanding work that has been shown over the last several days as we have presented a budget that will be balanced by the year 2002.

I would like to turn to answer a simple question, and that is who will benefit from the balanced budget plan proposed by the Republican majority this week. The answer? The American family.

The debate over the past week has been fascinating. We have heard a lot of rhetoric, especially from the other side of the aisle, about how cutting spending will hurt our children, affect our seniors, and hurt the middle class. My colleagues on the other side of the aisle would have us believe that the entire Government is going to shut down and that disaster is imminent with our budget.

But what they will not tell you is that the Republican budget will have tangible positive benefits for whom? The American family. Benefits that the American family will see in their checkbook, in their family budgets, and in their overall standard of living.

According to economists, one of the most significant benefits of a balanced budget is increased productivity. What does that mean? Let us talk a little bit about what productivity means to that individual family, that typical family in America. Increased productivity, a product of this balanced budget, means that Americans will produce more in the same amount of hours. There will be more produced for a given amount of work. And why do we have increased productivity from balancing the budget? Why does increased productivity result from spending no more than we take in each year?

Because, very simply, the Government, we, will borrow less, and that leaves more for investment by the private sector, by individuals, by individual businesses, and greater investment by those businesses and individuals results in better technology and better working conditions. It is this investment that allows our workers to produce more in the same amount of time. And so what does this concept of increased productivity which clearly stems from a balanced budget mean to the individual family, to you, to me, to our children, to our grandchildren?

From this first chart, the first thing that increased productivity means is greater income for the American family. If we accomplish more while we are at work, increased productivity, we will make more money to buy homes, to send our children to school, to buy clothes for our children, to provide for our own retirement.

According to the Commerce Department, median family income fell last year under President Clinton's watch by 1.9 percent. In contrast, over the next 10 years, by balancing the budget, the General Accounting Office says that earnings would be increased by approximately an extra 2.9 percent. That would mean an extra $1,200 per year for each American family by passing tomorrow this balanced budget proposal.

Under a status quo budget right now, income of the average family in 2025 without a balanced budget, for example, under the President's proposal would be $35,900. Under the Republican proposal, that same income of the average family in 2025 but with a balanced budget would be $48,200, a difference of over $12,000 by having a balanced budget.

Yes, increased incomes for the American family mean greater economic security for us, for this current generation, and for that next generation. With $12,000 more a year, our families will be able to save more for their own retirement rather than having to rely on the Government today, as so many people do today. They will be able to pay for their own health care, and they will be able to pay for education for their children. The investment of this kind of extra money for the American family can only mean great things for our economy and for our people.

Let me turn to the second chart. Are there other benefits of increased productivity which will result from the balanced budget? Mr. President, if we are accomplishing more during work hours, we will actually have to work less to accomplish the same amount. This means more time at home, more time with our families, more time with our children, our grandchildren to play baseball, to go to a guitar recital, to read a book.

Indeed, a typical family workday is 8½ hours. Increased productivity means that workers can provide the same level of output in fewer hours leaving more time for family, more time for leisure. In traveling the State of Tennessee, I know that Americans feel they are working hard to get ahead, and today they are not making progress. The median income is declining today. It is tough on families. It is tough on moms and dads who struggle to keep the house clean, food on the table, and the family running, and it is tough for those individuals. As we balance this budget and make this proposal, they worry: Will times be better? The message that we must get out is yes, with a balanced budget, there is increased productivity, increased time to be with one's family.

The Republican budget, when you break it down, will actually ease that burden through increasing the efficiencies of our businesses and our workers.

Let me turn to the third chart, Mr. President. Probably the most tangible benefit that we will see from balancing our budget is lower interest rates. The Congressional Budget Office has told us that interest rates will be lower by almost 2 percent if we balance the budget. Other economists, such as the independent forecasting group from DRI McGraw-Hill, predict lower interest rates of up to 2.5 percent, lower than they would be with a budget which is not balanced. That translates very directly into lower costs for typical purchases by the American family.

The examples are depicted. It means when lower interest rates take effect, that on the $75,000 30-year mortgage to this family, there will be a savings of $1,246 if we have a balanced budget.

Or that same family will save $1,000 over the life of a loan on a $15,000 car if we pass this balanced budget proposal.

And that same family will save $36 per year on an average balance of $1,800 on a credit card if we pass this balanced budget proposal.

And that same family can save $1,128 over the life of a loan on a small business or on farm equipment or on this typical tractor.

Mr. President, these are the kinds of savings that are very real that will affect every household in this country if we are successful in passing the balanced budget plan tomorrow. There is absolutely no question that the Republican budget, yes, will be tough. It will be tough, and everybody is going to have to sacrifice for it to take effect. But there is no question that this Republican budget does provide real, tangible benefits for all Americans and all American families.

Increased incomes, less work time, lower interest rates—all will contribute to a much higher quality of life for the American family.

I urge all of my colleagues on both sides of the aisle to consider these positive beneficial effects to the family as

we vote on this historic—very historic—budget package tomorrow.

I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

PROMISES KEPT

Mrs. HUTCHISON. Mr. President, I want to thank the Senator from Tennessee, a new Member of the Senate, for helping us with this debate, for helping us point out the important decisions that we are making today and tomorrow.

It has really been wonderful to see the freshmen Senators, the new Senators, like the Senator from Tennessee and like the Senator in the chair, tonight adding to the debate and adding to the energy and vitality of the changes that we are making for America, the changes that the people asked for in 1994 so forcefully by giving a mandate to Congress to do the right thing, to keep the promises that were made.

The American people have seen time after time after time politicians making great speeches, beautiful speeches at conventions and big events and rallies and they see them make the promises and they see the promises broken almost the day after the election. Now, for the first time in years, the American people are going to see the promises being kept.

I think you are seeing such clear differences between the leadership that the President has shown versus the leadership that the Members of Congress are showing now finally.

The President's theme has been balance the budget on the backs of the Medicare recipients and the welfare recipients and education. That is the theme that we see recurring on the floor of the Senate day after day after day after day—the class warfare: ''Oh, yes, they are balancing the budget, but they are doing it at the expense of the people in our society who are receiving Medicare and welfare.''

That is all we have heard. Where is their plan? Where is their suggestion? As the Senator from Pennsylvania said earlier tonight, their Chief of Staff has said, ''It's a big game of chicken. If you put your budget out there and we're going to slash it to ribbons. If we put our budget out there, you are going to slash ours to ribbons.'' So who goes first?

Mr. President, the Republicans are going first. We are putting something on the table that makes sense. We are taking the bold step and we are protecting Medicare for the future, and we are going to have a welfare system that tries to bring people up, not hold them down for generation after generation, and to give the taxpayers of our country the opportunity to see that it does not pay not to work if you can.

So, Mr. President, where is the President of the United States in this debate? He gave a budget to the Congress. We voted on it. It was the first vote we took in this budget debate. It was a budget which would increase the Federal deficit from $203 billion in 1994 to $276 billion in the year 2000. In fact, the Clinton budget, submitted to this Congress, called for another $1.2 trillion in deficit spending over the next 5 years.

That is the budget he has presented until yesterday. And yesterday the President said, ''I'm going to give you a balanced budget.'' We are 4 days into the budget debate and the President says, ''I'm going to give you a balanced budget.'' Where was he in the first year of his term? Where was he in the second year of his term? And where was he when we started the hearings in the Budget Committee when Senator DOMENICI was trying for a consensus, trying to bring everyone into the process, where was the President then? Where is the alternative now? There is no alternative except the one on the table that the Budget Committee has put forward which will balance the budget of this country by the year 2002.

It is the budget that is going to protect Medicare for our future generations. It is the budget resolution that says to our children, we are not going to turn our backs on you.

Finally, we have drawn the line in the sand, and we are going to do what is right for this country. This is, indeed, a moment in history. Tomorrow, we are going to make history in America. The other body is going to do what the House of Representatives did last week, and we are going to keep our promise to the American people.

Do all of us like everything in the budget? Absolutely not. There is probably not one Member of the Senate that says this is a perfect budget. Not even Senator DOMENICI likes everything in this budget that he worked so hard to bring out of that committee with the strong vote that he did. In fact, today I voted to change the budget, to give more to national defense because I am so worried that we are shortchanging our national defense in this country, and I wanted to try to change the priorities.

Other people have been offering amendments to add to education. Others have offered amendments to add to Medicare funding. Others have offered amendments for all different things that they think should be a priority.

But, Mr. President, this is a good, solid, balanced budget.

It is a balanced budget in the sense that, of course, it is going to take away deficits after 7 years. But it is a balanced budget in that it has taken into consideration what the Federal Government should be doing. And it is cut from some of the areas where the Federal Government has gotten too involved and in fact has encroached on our State governments and our local governments. It has cut back in those areas.

We are going back to the concept of a Federal Government that has specific powers and everything is not reserved to the Federal Government. It is going to be left to the States and to the people. That is the 10th amendment to the Constitution, and we are going to resurrect it and we are going to start with the budget that we are going to adopt tomorrow. We are going to give the power back to the people and back to the governments that are closest to the people, and that is where we are going to stop the spending binges from the Federal Government—and, oh, by the way, the strings that go with the spending binges. That is as costly as anything we do. The strings we attach to the State government when we send them the money, we are going to take the strings away; we are going to send them block grants. They have the ability to make the decisions for what is best for the people in their States. They are the closest to the people, and they should be determining what their priorities are. We do not need to tell them what to do in Washington, DC.

So tomorrow is the beginning of a new day in America. It is the beginning of the time that we are going to take the ship of state and we are going to start the turn in the right direction. We are going to provide a future for our children and grandchildren. We are going to keep our promises. We are going to fulfill the mandate that the people gave to us.

The President has talked a good game. He is a great speaker. He has made a lot of promises. But what has he done? He has given us a budget that does not balance. He has passed the largest tax increase in the history of America. He has financed our debt with short-term borrowing. And we are going to have to pay the price down the road for that mistake. And he has woefully underestimated the need for a strong national defense. We are going to start turning this country in the right direction. We started in January, and we are going to take a major step tomorrow to do the right thing for the people of this country.

We are working very hard, Mr. President, to do what we believe is the right thing to do for our children, for our senior citizens, for the people that are truly needy, and for the people who are out there working for a living to be able to keep the taxes that they earn for themselves and not give it to the Government to determine the priorities for their families. And we are going to work for that small business entrepreneur to be able to make it and to live the American dream and to grow and to prosper and create the jobs that will give others the opportunity to live the American dream of doing better for their families than they have been able to have as they immigrated into our country, or as they were the first member of their family to get a college education. That is who we are working for, Mr. President, and that is what this balanced budget is going to ensure will continue to be the American dream. That is why we are here

tonight at 10:30 p.m. eastern time, to talk about the importance of doing the responsible thing. The easy thing? No. The tough decisions, the right decisions, and the responsible decisions that we were elected to come to Washington to make.

Mr. President, we are on the eve of a very historic time, and I am proud that I believe we are going to do the right thing tomorrow. The Senate is going to put aside all of the differences that we might have and priorities and pass a balanced budget that will start our 7-year march to the time when we will begin to start paying down that long-term debt.

Mr. President, I thank you. I am soon going to move to close. Does the Senator from Iowa have anything further?

Mr. GRASSLEY. No.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Forces.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT RELATIVE TO EMIGRATION LAWS AND POLICIES OF THE REPUBLIC OF ROMANIA—MESSAGE FROM THE PRESIDENT—PM 51

The Presiding Officer laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

To the Congress of the United States:

I hereby transmit a report concerning emigration laws and policies of the Republic of Romania as required by subsections 402(b) and 409(b) of Title IV of the Trade Act of 1974, as amended (''the Act''). I have determined that Romania is in full compliance with the criteria in subsections 402(a) and 409(a) of the Act. As required by Title IV, I will provide the Congress with periodic reports regarding Romania's compliance with these emigration standards.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 19, 1995.*

EXECUTIVE REPORTS OF COMMITTEE

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD of April 24, May 2, and May 11, 1995, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

*In the Air Force there are 42 appointments to the grade of brigadier general (list begins with Patrick O. Adams) (Reference No. 216)

*In the Air Force there are 24 appointments to the grade of major general (list begins with Kurt B. Anderson) (Reference No. 217)

*Major General Ronald V. Hite, USA to be lieutenant general (Reference No. 253)

*Vice Admiral David M. Bennett, USN to be placed on the retired list in the grade of vice admiral (Reference No. 267)

*Rear Admiral Harold M. Koenig, USN to be Chief of the Bureau of Medicine and Surgery and Surgeon General and to be vice admiral (Reference No. 283)

*Lieutenant General Charles E. Dominy, USA to be placed on the retired list in the grade of lieutenant general (Reference No. 287)

*Lieutenant General Joseph W. Ralston, USAF to be general (Reference No. 313)

*Major General Ralph E. Eberhart, USAF to be lieutenant general (Reference No. 314)

*Rear Admiral James R. Fitzgerald, USN to be vice admiral (Reference No. 318)

*Brigadier General Sam C. Turk, USAR to be major general (Reference No. 338)

**In the Marine Corps there are 300 promotions to the grade of lieutenant colonel (list begins with William E. Acker) (Reference No. 345)

*Lieutenant General Malcolm B. Armstrong, USAF to be placed on the retired list in the grade of lieutenant general (Reference No. 356)

*Major General Charles T. Robertson, Jr., USAF to be lieutenant general (Reference No. 357)

*Lieutenant General Edwin E. Tenoso, USAF for reappointment to the grade of lieutenant general (Reference No. 358)

**In the Air Force Reserve there are 2 appointments to the grade of lieutenant colonel (list begins with David R. Andrews) (Reference No. 359)

**In the Marine Corps there are 472 appointments to the grade of lieutenant colonel and below (list begins with James C. Addington) (Reference No. 360)

*Lieutenant General Ronald H. Griffith, USA to be Vice Chief of Staff of the Army and to be general (Reference No. 366)

*General John H. Tilelli, Jr., USA for reappointment to the grade of general (Reference No. 367)

*Major General George A. Fisher, Jr., USA to be lieutenant general (Reference No. 368)

*Colonel James R. Helmly, USAR to be brigadier general (Reference No. 371)

*In the Army Reserve there are 11 promotions to the grade of major general and below (list begins with John T. Crowe) (Reference No. 380)

*Colonel Fletcher M. Lamkin, Jr., USA to be Dean of the Academic Board, United States Military Academy, and to be brigadier general (Reference No. 381)

*Rear Admiral Brent M. Bennitt, USN to be vice admiral (Reference No. 382)

**In the Army there are 1,152 promotions to the grade of lieutenant colonel (list begins with Scott L. Abbott) (Reference No. 383)

Total: 2,020.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MCCAIN:

S. 841. A bill to increase the special assessment for felonies and improve the enforcement of sentences imposing criminal fines, and for other purposes; to the Committee on the Judiciary.

By Mr. ASHCROFT (for himself, Mr. COVERDELL, Mr. CRAIG, Mr. DEWINE, Mr. SMITH, Mr. INHOFE, and Mr. KEMPTHORNE):

S. 842. A bill to replace the aid to families with dependent children with a block grant to the States, and for other purposes; to the Committee on Finance.

S. 843. A bill to amend the Food Stamp Act of 1977 to convert the food stamp program into a block grant program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 844. A bill to replace the medicaid program with a block grant to the States, and for other purposes; to the Committee on Finance.

S. 845. A bill to replace the supplemental security income program for the disabled and blind with a block grant to the States, and for other purposes; to the Committee on Finance.

S. 846. A bill to amend the Internal Revenue Code of 1986 to allow for charitable contributions to certain private charities providing assistance to the poor thereby improving Federal welfare efforts through increased activity, and for other purposes; to the Committee on Finance.

By Mr. GREGG (for himself, Mr. REID, Mr. COATS, Mr. BRADLEY, Mr. KYL, Mr. COHEN, and Mr. LAUTENBERG):

S. 847. A bill to terminate the agricultural price support and production adjustment programs for sugar, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCAIN:

S. 841. A bill to increase the special assessment for felonies and improve the enforcement of sentences imposing criminal fines, and for other purposes; to the Committee on the Judiciary.

THE CRIME VICTIMS ASSISTANCE IMPROVEMENT ACT

• Mr. MCCAIN. Mr. President, today I am introducing legislation to assist those who are often ignored in our ongoing struggle against crime: the victims: The Crime Victims Assistance Improvement Act increases and improves collection of crime fines which are deposited into the crime victims fund. This fund provides desperately needed help to crime victims across this country.

I am pleased that this legislation has been supported by the National Organization for Victim Assistance, the American Legislative Exchange Council, Crimestrike, and the Arizona Department of Public Safety.

First, this bill doubles the mandatory special assessment charged to every convicted Federal felon. The current special assessment is $50 for each

individual felon, and $200 for an organization. The money from these special assessments goes directly into the crime victims fund. So doubling the assessments will double the amount of money going into the crime victims fund.

This means that more rape and assault victims will get counseling, more battered women and children will get shelter, more families of murder victims will get money to defray funeral expenses. It means more help for more crime victims in every State of this Nation.

Second, this legislation increases, to 20 years, the statute of limitations for the collection of these special assessments. Currently, the Government loses the right to collect this money from convicted felons after 5 years, which means vital resources are lost in the effort to assist crime victims. Criminal debtors should not be allowed to get away with defying a court order to pay. Increasing the statute of limitations significantly increases the amount of time that the government has to track down deadbeat criminals and make them meet their obligation.

This legislation also requires an enforceable payment schedule for special assessments, orders of restitution and additional fines charged to convicted Federal criminals. Current law only allows the judge the option of setting up a payment schedule. A mandatory schedule for payment of the money owed will enhance collections and improve debt management. Ultimately, it means more dollars in the crime victims fund.

Fourth, this legislation prohibits delinquent criminal debtors from receiving Federal benefits, such as grants, contracts, loans, professional and commercial licenses and other Federal assistance programs. If convicted criminals are not meeting their financial obligation to crime victims, then they certainly should not be allowed to benefit from Federal assistance programs.

Fifth, the bill addresses a particularly absurd loophole in current law which allows delinquent criminal debtors to collect money from the Crime Victims Fund if they themselves become victims of crime. It is ironic, and yet tragic, when a convicted criminal debtor in turn becomes a victim of crime; but it is unfair that such an individual, who is delinquent in payments to the crime victims fund, and has not made a good faith effort to meet his or her obligation, is allowed to receive assistance from the program.

The intent of this legislation, however, is not to deny needy people from assistance if they are making a good faith effort to meet their financial and legal obligations. Payment schedules certainly could be amended by a court to address exigent circumstances.

Finally, this legislation establishes that crime victim compensation payments shall not be counted as income for purposes of eligibility for unrelated federally-funded general assistance programs.

Let me relate the story of a 2-year-old-boy from Iowa. After his father was brutally, murdered, this boy's mother had no means of support and was placed on AFDC rolls, which qualified the family for Medicaid. The State victims compensation program also provided this young victim and his mother $2000 for loss of support. This one-time compensation payment was considered as income, however, so the Government was forced to cut off this child's Medicaid benefits for nearly a year. This is not right and it must be changed.

Mr. President, crime continues to plague our Nation. Figures from the U.S. Justice Department show that one violent crime is committed in this country every 16 seconds. Yet the unmet need for victim assistance and compensation is enormous. The number of victims' compensation claims has increased by 10 to 20 percent each year for the past 5 years, but many of those claims are being turned down because of a lack of funding.

In my home State of Arizona, we are receiving fewer dollars from the crime victims fund at a time when serious crime is increasing. In 1993–94, 16 Arizona agencies that applied for crime victim assistance grants received no funding at all. The funding requests that were rejected included victim witness programs, domestic violence agencies, as well as child abuse and sexual assault programs.

The victims compensation system is also overburdened. Families with limited financial resources must face the initial trauma of the crime coupled with the additional concerns of medical expenses, funeral bills and other crime-related losses. We need more resources to help these victims, especially those in financial distress, and the Crime Victims Assistance Improvement Act will help tremendously in this endeavor.

Doubling the amount of special assessments, increasing the statute of limitations on collections, setting up specific payment schedules, and keeping delinquent criminal debtors from benefiting from the crime victims fund are effective methods for channeling money from the criminals who committed the crimes to the victims who are living with the aftermath. We must let criminals know that fine payment is not an option, it is an obligation that they must and will meet.

Mr. President, this legislation enhances collections of criminal debt and improved administration of the crime victims fund to keep pace with the growing needs of crime victims, and I urge timely consideration and passage of this measure. ●

By Mr. ASHCROFT (for himself, Mr. COVERDELL, Mr. CRAIG, Mr. DEWINE, Mr. SMITH, Mr. INHOFE, and Mr. KEMPTHORNE):

S. 842. A bill to replace the aid to families with dependent children program to the States, and for other purposes; to the Committee on Finance.

S. 843. A bill to amend the Food Stamp Act of 1977 to convert the food stamp program into a block grant program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 844. A bill to replace the Medicaid program with a block grant to the States, and for other purposes; to the Committee on Finance.

S. 845. A bill to replace the supplemental security income program for the disabled and blind with a block grant to the States, and for other purposes; to the Committee on Finance.

S. 846. A bill to amend the Internal Revenue Code of 1986 to allow for charitable contributions to certain private charities providing assistance to the poor thereby improving Federal welfare efforts through increased activity, and for other purposes; to the Committee on Finance.

WELFARE REFORM LEGISLATION

Mr. ASHCROFT. Mr. President, as we continue to debate the budget resolution, setting spending levels for the next 5 years, we do so with the knowledge that one of our greatest challenges is moving our Nation's needy from governmental dependence to economic independence. One of our challenges is to ensure that hope and opportunity are defining characteristics of all Americans.

This was the challenge 30 years ago, when the great movement reshaping world politics was the end of colonialism. John Kennedy celebrated the ''desire to be independent,'' as the ''single most important force in the world.'' Eventually this movement revealed its power from Asia to Africa to South America.

The problem with imperialism was not just its economic exploitation. it was its influence on culture. It undermined traditional ways and institutions. It was inconsistent with human dignity.

Why? Because imperialism rewarded passivity and encouraged dependence. It required citizens to live by the rules of a distant elite. It demanded people be docile in the face of a system that they could not change. It was an attack, not just on national sovereignty, but on national character. What our Washington-based welfare system has done, particularly to women and children, has been to fashion a new form of colonialism. It created an underclass that is paid to play by rules that lead to dependence. It rewards behavior that keeps them powerless. It thwarts the efforts of private and religious charitable organizations to care for the needy. It discourages the genuine compassion of the American people. It has waged war against the human spirit.

Our goal in welfare should not be to maintain the underclass as comfortably as possible as wards of the state. Yet that is precisely what has been done. Cash benefits anesthetize their suffering. Food stamps relieve

their hunger. Health care and housing are provided. But the hope, dignity, and integrity of independence are forgotten.

Consider, just briefly, what our current welfare system has wrought. The numbers alone are enough to numb the senses. Since 1965, we've spend more than $5 trillion—a cost higher than that of waging the second world war—fighting poverty. Yet today, there are more people living in poverty than ever before, and our safety net has become more like quicksand.

In 1965, when President Johnson launched the War on Poverty, there were approximately 14.7 million children in poverty. They constituted about one of every five children in America. In 1993, there were 14.6 million children in poverty. They constitute a little more than one in every five American children. Of all age groups, children are the most likely to be poor. In 1991, a study of the poverty rates in eight industrialized nations revealed that American children were almost three times as likely to be poor as children from the other nations studied.

The character of the poverty we face today is a deeper, more entrenched poverty in which generations of people are born, live, and die without the experience of holding a job, owning a home, or growing up with a father's love and discipline.

Go into our inner cities—go just blocks from here—and you will meet a generation fed on welfare and food stamps but starved of nurture and hope. You will meet young teens in their third pregnancy. You will meet children who are not only without a father, but do not know anyone who has a father. You will talk with sixth-graders who do not know how many inches are in a foot, having never seen a ruler, and with first-graders who do not know their ABC's or numbers because no one ever took the time to teach them.

Thirty years ago, Robert Kennedy reflected on welfare and said this:

> Opponents of welfare have always said that welfare is degrading, both to the giver and the recipient. They have said that it destroys self-respect, that it lowers incentive, that it is contrary to American ideals. Most of us deprecated and disregarded these criticisms. People were in need; obviously, we felt, to help people in trouble was the right thing to do. But in our urge to help, we also disregarded elementary fact. For the criticisms of welfare do have a center of truth, and they are confirmed by the evidence.

Robert Kennedy's warnings were not heeded.

The political elites that followed him have spent, and taxed, and redistributed wealth beyond the dreams of Roosevelt and Johnson combined. But in the Government's war on poverty, poverty is winning and the casualties are the poor. Hope and opportunity are missing in action. Programs and policies that once were judged by the height of their aspirations must now be judged by the depth of their failure.

I have a belief that is confirmed by the record of our times. It is this: The greatest, most insistent human need is not subsistence, not hand-outs, not dependence, but independence. Not the kind of independence that suggests people do not need one another or that suggests that every man is an island. Quite the opposite, the independence of which I speak is the independence born of economic self-sufficiency and opportunity. The independence to dream, pursue, and fulfill our deepest wishes and our personal potential. This is something that the social architects cannot plan or build. It is not structure, it is spirit. It is something that our welfare system has lacked for at least the past 30 years. It is a reality that we continue to ignore only at our peril.

We stand at a time of unique opportunity. There is a mainstream movement of values sweeping this land. It is a movement reflected on the covers of popular magazines like Newsweek and US News who lament the absence of shame and the lack of fathers.

I believe it is time again to create a welfare system that helps, not hurts those it seeks to serve. That is the standard against which reform must be judged—not some utopian ideal, but the cold, hard realities of our present welfare system.

Today I will introduce the Communities Involved in Caring [CIVIC] Act. We have neither the aspiration nor the expectation that it alone is the long-awaited answer to our welfare problems. But we do believe that it is a significant step toward restoring the opportunities of dignity through independence and the access to the world of upward mobility.

This act is predicated on three fundamental beliefs. First, that States need to be given maximum flexibility in reforming their welfare systems. Second, that our intermediary organizations—especially private and religious charitable organizations—need to be utilized in welfare reform. Third, that intermediary organizations need not only money, but volunteers, to flourish.

BLOCK GRANTS

The CIVIC Act block-grants Washington's four main welfare entitlement programs—AFDC, Food Stamps, Supplemental Security Income, and Medicaid—to the States. It does this first by capping the spending on AFDC, food stamps, and SSI at either an average of fiscal year 1992–94 levels, or at fiscal year 1994 levels, whichever is higher. This cap would then apply for the next 5 years. For Medicaid, which is currently growing at rates exceeding 10 percent per year, spending would be capped at a rolling 5-percent increase for the next 5 years.

These programs would then be extricated from their existing bureaucracies—HHS, Agriculture, et cetera—and given to the Department of Treasury to distribute to the States.

Treasury's oversight role would be minimal because the only qualifications on the block grants would be the following. First, States would be required to make welfare recipients work. How best to do that. The nature of the work. The level of participation. All of those issues would be left to the States to determine. Second, States which decrease illegitimacy, using existing governmental statistics, will be able to use a portion of their block grant for elementary and secondary education or any other function they desire.

INVOLVEMENT OF INTERMEDIARY INSTITUTIONS

The CIVIC Act also provides explicit authority for States to contract with intermediary organizations—including private and religious charitable organizations—to help solve the welfare problem.

We have all heard the stories of small organizations that are hugely successful in helping America's poor. Unfortunately, many of those programs have been constrained from receiving Federal funds because all too often those Federal funds would require radical changes in the program—changes that would rob the programs of the very characteristics that make them successful.

Under the CIVIC Act, States would be able to utilize their Federal blocgrant funds by either contracting with these organizations directly or by giving welfare recipients certificates so that they can choose which programs to get involved in.

TAX CREDIT ELIGIBILITY FOR VOLUNTEERING AT CHARITABLE ORGANIZATIONS

The final part of the CIVIC Act makes those people who volunteer at least 50 hours per year, or approximately 1 hour per week, to institutions that serve the needy, eligible for a $500 tax credit for monetary donations to such charitable organizations. Just as welfare recipients should work for their benefits, so our citizenry should work for charitable organizations in order to receive a tax credit. It is all about responsibility. It is all about opportunity.

When he travelled through America more than 100 years ago, the great French observer Alexis de Tocqueville was struck by how caring Americans were for each other. ''The Americans, . . . regard for themselves,'' he wrote, ''constantly prompts them to assist one another and inclines them willingly to sacrifice a portion of their time and property to the welfare of [others].'' What this act seeks to undo is 30 years of Washington discouraging that very basic American instinct to help one another.

These ideas are not new ideas. They are, in fact, ideas that have been tried, tested, and found successful. About a hundred years ago in cities like New York, alcoholics and addicts littered the sidewalks. Orphaned children roamed the streets. And if all New York City's liquor shops, houses of prostitution, gambling houses, and other low-life establishments would have been placed on a single street,

they would have extended from Manhattan's city hall to the city of White Plains more than 30 miles away. On that street, there would have been a robbery every 165 yards and a murder every half mile. And in Brooklyn, 1 out of every 10 people got food from public storehouses.

These pathologies met their match through society's intermediary, nongovernmental, organizations. Their warm-hearted and hard-headed approaches helped save women and children and men. As the historian Marvin Olasky notes, ''The solutions these reforms came up with forestalled an epidemic of illegitimacy and saved thousands of children from misery.''

I believe that as we confront our own social pathologies, we must, we must do it the same way—with new ideas for the 1990's that were the standard fare of the 1890's. We must meet our challenges with a greater role for States and a greater role for intermediary organizations—both larger ones like the Salvation Army and the Goodwill and smaller ones like Best Friends and the Sunshine Mission.

So while the CIVIC Act begins the process of moving welfare from Washington to the States, it also begins the vital task of reinvigorating our intermediary organizations—organizations which can help meet people's deepest needs, organizations that we know will help solve our welfare problems.

The change that we want to see will not occur overnight. Neither will it come without hard work and thorough debate. The end of colonialism was not an easy process either. For independence means risk, the sacrifice of security. Economic mobility means work, hard work. But no nation and no people who have ever tasted the sweet fruits of freedom has called for the return of its colonial rulers.

By Mr. GREGG (for himself, Mr. REID, Mr. COATS, Mr. BRADLEY, Mr. KYL, Mr. COHEN and Mr. LAUTENBERG):

S. 847. A bill to terminate the agricultural price support and production adjustment programs for sugar, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL PRICE SUPPORT LEGISLATION

Mr. GREGG. Mr. President, I rise today with Senators REID, BRADLEY, COATS, COHEN, LAUTENBERG, and KYL to announce the introduction of legislation to repeal the sugar program. This legislation will eliminate the U.S. Department of Agriculture's [USDA] price support, subsidized loans, producer assessments, and marketing allotments for sugar.

The sugar program is big government at its worst. At a time when the American people are demanding that the Federal Government assume a more limited role in society, this program goes in the opposite direction. Instead of leaving the sugar industry to market forces, the USDA wields the heavy hand of government intervention.

Why should Congress repeal the sugar program? That is a good question, and I will give you but a few examples:

It has been estimated by the General Accounting Office [GAO] that the program costs consumers and sweetener users an average of $1.4 billion annually. The producers who sell the most sugar reap the biggest benefit. Right now, the world sugar price is half that of the United States.

The sugar program stifles competition. In 1991, the GAO estimated that 42 percent of the program's benefits went to only 1 percent of the growers. The 33 largest sugar plantations receive over $1 million each year.

The U.S. has generally supported free and fair trade. How can we justify artificially inflating the price of a domestic commodity just to enrich and protect a particular industry? This legislation would not impact existing rules on tariffs and quotas. Therefore, there would be no dumping of foreign sugar into the U.S. market.

Like most Americans, I strongly support reducing the Federal budget deficit. Due to import tariffs and a 1.1 cents-per-pound tax on producers, the sugar program operates a no-net-cost to the Federal budget. While this is true, the program costs the American taxpayers $1.4 billion. The sugar program is a regressive tax, which imposes a much greater burden on those who spend a great deal on consumption. Under the present system, the benefit of reducing the Federal budget deficit is far outweighed by the high cost to the American consumer.

One of the greatest environmental crises facing the State of Florida is the degradation of the Everglades. The Everglades is a national treasure, which is threatened by phosphate and pesticide runoff. The sugar program's continued high price supports have for years stimulated overproduction in the Everglades agricultural area. In effect, the Federal Government has encouraged the destruction of the Everglades through heavy-handed government intervention and misguided attempts to regulate the economy.

The repeal of the sugar program would have a minimal, if any, impact on jobs in the sugar industry. The American sugar industry, the pro-sugar lobby, has estimated a job loss of 420,000. This is factually and statistically untrue. The Census Bureau and the USDA have estimated that the sugar industry only accounts for 46,000 jobs. In fact, even with the program, sugar industry jobs fell by 18 percent between 1982 and 1992. It is believed by many economists that any job losses in the sugar industry would be offset by gains realized in the sweetener industry.

Mr. President, the time for wasteful and inefficient commodity programs like the sugar program has come to an end. I hope the Senate will move quickly to pass this legislation and send a message to the relatively few that benefit from this program that the American consumer deserves a better deal.

Mr. COHEN. Mr. President, I am pleased to rise today to join Senator GREGG and Senator REID to introduce legislation to eliminate the sugar program. The Federal Government has been meddling in the sugar market for over 200 years, and I believe the time has come to end what has become a wasteful practice.

The supporters of the sugar program argue that the system operates at no cost to the Federal Government, and therefore there is no need to eliminate this harmless program. Technically speaking this assertion is true; the Federal Government does not send checks to sugar growers. But the federal government does artificially raise the price of sugar by limiting imports, and, as a result, American consumers pay an additional $1.4 billion each year for sweetened products, according to the Government Accounting Office. So while Americans may not pay for this program through higher taxes, they do pay for it every time they buy a soda, or a candy bar, or anything else which contains sugar or other sweeteners.

The supporters of the sugar program argue that this program is vital to the livelihoods of family farms. Unfortunately this program, like many other agricultural subsidies, was designed to help family farms, but actually tends to support big businesses. Seventeen of the over 1,700 sugarcane farms received roughly 58 percent of the benefits of this program in 1991. One family in florida receives an estimated $65 million a year as a result of the artificially high prices. Mr. President, this certainly does not fall within my definition of a ''family'' farm.

Finally, the supporters of the sugar program argue that the elimination of this program will kill the domestic sugar industry. While there will likely be some changes to the industry if this program is eliminated, I take issue with the argument that there is no life after subsidies. During World War II, a price support system was established for potatoes. Several years later Congress abolished the program. But the potato industry remains vibrant in the United States to this day. From Maine to California, farmers continue to grow potatoes without the benefit of a subsidy they once enjoyed.

Mr. President, the time has come to end the sugar program. Simply stated, its benefits go primarily to a select few, while its costs are borne by every consumer in America. Because food accounts for a higher share of the household budget of low-income families, these higher costs are especially regressive. For the sake of these families, I hope the Senate will pass this important legislation.

ADDITIONAL COSPONSORS

S. 230

At the request of Mr. DOLE, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor

of S. 230, a bill to prohibit United States assistance to countries that prohibit or restrict the transport or delivery of United States humanitarian assistance.

S. 256

At the request of Mr. DOLE, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 256, a bill to amend title 10, United States Code, to establish procedures for determining the status of certain missing members of the Armed Forces and certain civilians, and for other purposes.

S. 456

At the request of Mr. BRADLEY, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 456, a bill to improve and strengthen the child support collection system, and for other purposes.

S. 630

At the request of Mr. D'AMATO, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 630, a bill to impose comprehensive economic sanctions against Iran.

S. 647

At the request of Mr. LOTT, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 647, a bill to amend section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 to require phasing-in of certain amendments of or revisions to land and resource management plans, and for other purposes.

S. 770

At the request of Mr. DOLE, the names of the Senator from Illinois [Ms. MOSELEY-BRAUN], and the Senator from Missouri [Mr. ASHCROFT] were added as cosponsors of S. 770, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

S. 798

At the request of Mr. CONRAD, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 798, a bill to amend title XVI of the Social Security Act to improve the provision of supplemental security income benefits, and for other purposes.

S. 833

At the request of Mr. HATCH, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 833, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment.

SENATE JOINT RESOLUTION 34

At the request of Mr. SMITH, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 34, a joint resolution prohibiting funds for diplomatic relations and most favored nation trading status with the Socialist Republic of Vietnam unless the President certifies to Congress that Vietnamese officials are being fully cooperative and forthcoming with efforts to account for the 2,205 Americans still missing and otherwise unaccounted for from the Vietnam War, as determined on the basis of all information available to the United States Government, and for other purposes.

AMENDMENTS SUBMITTED

THE CONGRESSIONAL BUDGET CONCURRENT RESOLUTION

BRADLEY (AND OTHERS) AMENDMENT NO. 1122

Mr. BRADLEY (for himself, Mr. BREAUX, Mrs. MURRAY, Ms. MOSELEY-BRAUN, Mr. GLENN, Mr. BINGAMAN, Mr. KENNEDY, and Mr. LIEBERMAN) proposed an amendment to the concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002; as follows:

On page 74, strike lines 12 through 24 and insert the following: ''budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect $16,900,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that restores the full current law earned income tax credit under section 32 of the Internal Revenue Code of 1986.

''(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, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (d).''.

GRAMM (AND OTHERS) AMENDMENT NO. 1123

Mr. GRAMM (for himself, Mr. COATS, Mr. COVERDELL, Mr. CRAIG, Mr. FAIRCLOTH, Mr. GRAMS, Mr. HELMS, Mr. KEMPTHORNE, Mr. KYL, Mr. LOTT, Mr. MACK, Mr. MCCAIN, and Mr. SMITH) proposed an amendment to the concurrent resolution (S. Con. Res. 13), supra; as follows:

Strike all after the word ''Section'' on page 1, line 3 through page 79, line 15 and insert in lieu thereof the following:

1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996.

(a) DECLARATION.—The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1996, including the appropriate budgetary levels for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, as required by section 301 of the Congressional Budget Act of 1974.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 1996.

TITLE I—LEVELS AND AMOUNTS

Sec. 2. Recommended levels and amounts.
Sec. 3. Debt increase.
Sec. 4. Social Security.
Sec. 5. Major functional categories.
Sec. 6. Reconciliation.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

Sec. 201. Discretionary spending limits.
Sec. 202. Extension of pay-as-you-go point of order.
Sec. 203. Tax reserve fund in the Senate.
Sec. 204. Scoring of emergency legislation.
Sec. 205. Budget surplus allowance.
Sec. 206. Sale of Government assets.
Sec. 207. Credit reform and guaranteed student loans.
Sec. 208. Extension of Budget Act 60-vote enforcement through 2002.
Sec. 209. Repeal of IRS allowance.
Sec. 210. Exercise of rulemaking powers.

TITLE III—SENSE OF THE CONGRESS AND THE SENATE

Sec. 301. Restructuring Government and program terminations.
Sec. 302. Sense of the Senate regarding returning programs to the States.
Sec. 303. Commercialization of Federal activities.
Sec. 304. Nonpartisan Advisory Commission on the CPI.
Sec. 305. Sense of the Congress on a uniform accounting system in the Federal Government.

TITLE I—LEVELS AND AMOUNTS

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—(A) For purposes of the enforcement of this resolution—

(i) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $1,051,700,000,000.
Fiscal year 1997: $1,063,800,000,000.
Fiscal year 1998: $1,112,800,000,000.
Fiscal year 1999: $1,165,700,000,000.
Fiscal year 2000: $1,220,500,000,000.
Fiscal year 2001: $1,285,700,000,000.
Fiscal year 2002: $1,353,900,000,000.

(ii) The amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1996: $8,700,000,000.
Fiscal year 1997: −$19,700,000,000.
Fiscal year 1998: −$22,200,000,000.
Fiscal year 1999: −$21,800,000,000.
Fiscal year 2000: −$25,700,000,000.
Fiscal year 2001: −$28,500,000,000.
Fiscal year 2002: −$31,100,000,000.

(iii) The amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1996: $103,800,000,000.
Fiscal year 1997: $109,000,000,000.
Fiscal year 1998: $114,900,000,000.
Fiscal year 1999: $120,700,000,000.
Fiscal year 2000: $126,900,000,000.
Fiscal year 2001: $133,600,000,000.
Fiscal year 2002: $140,400,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund)—

(i) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $947,900,000,000.
Fiscal year 1997: $918,800,000,000.
Fiscal year 1998: $997,900,000,000.
Fiscal year 1999: $1,045,000,000,000.
Fiscal year 2000: $1,093,600,000,000.
Fiscal year 2001: $1,152,100,000,000.
Fiscal year 2002: $1,213,500,000,000.

(ii) The amounts by which the aggregate levels of Federal revenues should be changed as follows:

Fiscal year 1996: $8,705,000,000.
Fiscal year 1997: −$19,701,000,000.
Fiscal year 1998: −$22,193,000,000.
Fiscal year 1999: −$21,798,000,000.
Fiscal year 2000: −$25,699,000,000.
Fiscal year 2001: −$28,489,000,000.
Fiscal year 2002: −$31,106,000,000.

(2) NEW BUDGET AUTHORITY.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:
Fiscal year 1996: $1,266,800,000,000.
Fiscal year 1997: $1,274,900,000,000.
Fiscal year 1998: $1,321,600,000,000.
Fiscal year 1999: $1,361,400,000,000.
Fiscal year 2000: $1,419,600,000,000.
Fiscal year 2001: $1,438,500,000,000.
Fiscal year 2002: $1,483,200,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total new budget authority are as follows:
Fiscal year 1996: $1,169,500,000,000.
Fiscal year 1997: $1,174,400,000,000.
Fiscal year 1998: $1,215,200,000,000.
Fiscal year 1999: $1,248,100,000,000.
Fiscal year 2000: $1,299,200,000,000.
Fiscal year 2001: $1,291,000,000,000.
Fiscal year 2002: $1,343,000,000,000.

(3) BUDGET OUTLAYS.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:
Fiscal year 1996: $1,273,300,000,000.
Fiscal year 1997: $1,274,900,000,000.
Fiscal year 1998: $1,300,100,000,000.
Fiscal year 1999: $1,345,200,000,000.
Fiscal year 2000: $1,399,400,000,000.
Fiscal year 2001: $1,420,900,000,000.
Fiscal year 2002: $1,467,100,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total budget outlays are as follows:
Fiscal year 1996: $1,177,700,000,000.
Fiscal year 1997: $1,175,400,000,000.
Fiscal year 1998: $1,194,700,000,000.
Fiscal year 1999: $1,233,600,000,000.
Fiscal year 2000: $1,280,000,000,000.
Fiscal year 2001: $1,292,400,000,000.
Fiscal year 2002: $1,328,100,000,000.

(4) DEFICITS.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the amounts of the deficits are as follows:
Fiscal year 1996: $221,600,000,000.
Fiscal year 1997: $211,100,000,000.
Fiscal year 1998: $187,300,000,000.
Fiscal year 1999: $179,500,000,000.
Fiscal year 2000: $178,900,000,000.
Fiscal year 2001: $135,200,000,000.
Fiscal year 2002: $113,200,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the amounts of the deficits are as follows:
Fiscal year 1996: $229,800,000,000.
Fiscal year 1997: $220,600,000,000.
Fiscal year 1998: $196,800,000,000.
Fiscal year 1999: $188,600,000,000.
Fiscal year 2000: $186,400,000,000.
Fiscal year 2001: $140,300,000,000.
Fiscal year 2002: $114,600,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:
Fiscal year 1996: $5,190,900,000,000.
Fiscal year 1997: $5,471,400,000,000.
Fiscal year 1998: $5,726,800,000,000.
Fiscal year 1999: $5,972,700,000,000.
Fiscal year 2000: $6,215,700,000,000.
Fiscal year 2001: $6,416,900,000,000.
Fiscal year 2002: $6,594,300,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:
Fiscal year 1996: $37,600,000,000.
Fiscal year 1997: $40,200,000,000.
Fiscal year 1998: $42,300,000,000.
Fiscal year 1999: $45,700,000,000.
Fiscal year 2000: $45,800,000,000.
Fiscal year 2001: $45,800,000,000.
Fiscal year 2002: $46,100,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:
Fiscal year 1996: $193,400,000,000.
Fiscal year 1997: $187,900,000,000.
Fiscal year 1998: $185,300,000,000.
Fiscal year 1999: $185,300,000,000.
Fiscal year 2000: $184,700,000,000.
Fiscal year 2001: $186,100,000,000.
Fiscal year 2002: $187,600,000,000.

SEC. 3. DEBT INCREASE.

The amounts of the increase in the public debt subject to limitation are as follows:
Fiscal year 1996: $287,900,000,000.
Fiscal year 1997: $280,500,000,000.
Fiscal year 1998: $255,400,000,000.
Fiscal year 1999: $245,900,000,000.
Fiscal year 2000: $243,000,000,000.
Fiscal year 2001: $201,200,000,000.
Fiscal year 2002: $177,400,000,000.

SEC. 4. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:
Fiscal year 1996: $347,700,000,000.
Fiscal year 1997: $392,000,000,000.
Fiscal year 1998: $411,400,000,000.
Fiscal year 1999: $430,900,000,000.
Fiscal year 2000: $452,000,000,000.
Fiscal year 2001: $475,200,000,000.
Fiscal year 2002: $498,600,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:
Fiscal year 1996: $299,400,000,000.
Fiscal year 1997: $310,900,000,000.
Fiscal year 1998: $324,600,000,000.
Fiscal year 1999: $338,500,000,000.
Fiscal year 2000: $353,100,000,000.
Fiscal year 2001: $368,100,000,000.
Fiscal year 2002: $383,800,000,000.

SEC. 5. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1996 through 2000 for each major functional category are:

(1) National Defense (050):
Fiscal year 1996:
(A) New budget authority, $257,700,000,000.
(B) Outlays, $261,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.
Fiscal year 1997:
(A) New budget authority, $253,400,000,000.
(B) Outlays, $257,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.
Fiscal year 1998:
(A) New budget authority, $259,600,000,000.
(B) Outlays, $254,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.
Fiscal year 1999:
(A) New budget authority, $266,200,000,000.
(B) Outlays, $259,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.
Fiscal year 2000:
(A) New budget authority, $276,000,000,000.
(B) Outlays, $267,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.
Fiscal year 2001:
(A) New budget authority, $275,900,000,000.
(B) Outlays, $267,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.
Fiscal year 2002:
(A) New budget authority, $275,900,000,000.
(B) Outlays, $269,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.

(2) International Affairs (150):
Fiscal year 1996:
(A) New budget authority, $15,400,000,000.
(B) Outlays, $16,900,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.
Fiscal year 1997:
(A) New budget authority, $14,300,000,000.
(B) Outlays, $15,100,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.
Fiscal year 1998:
(A) New budget authority, $13,500,000,000.
(B) Outlays, $14,300,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.
Fiscal year 1999:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $13,500,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.
Fiscal year 2000:
(A) New budget authority, $14,100,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.
Fiscal year 2001:
(A) New budget authority, $14,300,000,000.
(B) Outlays, $13,400,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.
Fiscal year 2002:
(A) New budget authority, $14,200,000,000.
(B) Outlays, $13,300,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1996:
(A) New budget authority, $16,700,000,000.
(B) Outlays, $16,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $16,300,000,000.

(B) Outlays, $16,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $16,100,000,000.
(B) Outlays, $16,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $15,800,000,000.
(B) Outlays, $15,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $15,800,000,000.
(B) Outlays, $15,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $15,800,000,000.
(B) Outlays, $15,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1996:
(A) New budget authority, $2,900,000,000
(B) Outlays, $2,700,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $1,700,000,000.
(B) Outlays, $1,000,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $3,300,000,000.
(B) Outlays, $2,600,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $4,200,000,000.
(B) Outlays, $3,100,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $4,100,000,000.
(B) Outlays, $2,800,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $4,000,000,000.
(B) Outlays, $2,900,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $4,000,000,000.
(B) Outlays, $2,900,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1996:
(A) New budget authority, $19,500,000,000.
(B) Outlays, $20,400,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $18,300,000,000.
(B) Outlays, $20,100,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $15,600,000,000.
(B) Outlays, $17,900,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $16,800,000,000.
(B) Outlays, $18,400,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $16,400,000,000.
(B) Outlays, $17,400,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $15,000,000,000.
(B) Outlays, $15,900,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $15,800,000,000.
(B) Outlays, $16,600,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1996:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $11,500,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
Fiscal year 1997:
(A) New budget authority, $12,200,000,000.
(B) Outlays, $10,900,000,000.
(C) New direct loan obligations, $11,500,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
Fiscal year 1998:
(A) New budget authority, $11,800,000,000.
(B) Outlays, $10,600,000,000.
(C) New direct loan obligations, $10,900,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
Fiscal year 1999:
(A) New budget authority, $11,700,000,000.
(B) Outlays, $10,400,000,000.
(C) New direct loan obligations, $11,600,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
Fiscal year 2000:
(A) New budget authority, $11,700,000,000.
(B) Outlays, $10,600,000,000.
(C) New direct loan obligations, $11,400,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
Fiscal year 2001:
(A) New budget authority, $10,500,000,000.
(B) Outlays, $9,400,000,000.
(C) New direct loan obligations, $11,100,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
Fiscal year 2002:
(A) New budget authority, $10,100,000,000.
(B) Outlays, $9,100,000,000.
(C) New direct loan obligations, $10,900,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1996:
(A) New budget authority, $2,500,000,000.
(B) Outlays, −$7,000,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
Fiscal year 1997:
(A) New budget authority, $1,500,000,000.
(B) Outlays, −$5,400,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
Fiscal year 1998:
(A) New budget authority, $600,000,000.
(B) Outlays, −$7,000,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
Fiscal year 1999:
(A) New budget authority, $100,000,000.
(B) Outlays, −$5,100,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
Fiscal year 2000:
(A) New budget authority, $1,700,000,000.
(B) Outlays, −$2,500,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
Fiscal year 2001:
(A) New budget authority, $500,000,000.
(B) Outlays, −$3,300,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
Fiscal year 2002:
(A) New budget authority, $200,000,000.
(B) Outlays, −$3,400,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
(8) Transportation (400):
Fiscal year 1996:
(A) New budget authority, $36,500,000,000.
(B) Outlays, $38,300,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $38,800,000,000.
(B) Outlays, $32,800,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $39,400,000,000.
(B) Outlays, $31,800,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $40,200,000,000.
(B) Outlays, $31,300,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, $41,200,000,000.
(B) Outlays, $31,100,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $41,000,000,000.
(B) Outlays, $31,100,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $40,800,000,000.
(B) Outlays, $31,100,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1996:
(A) New budget authority, $5,800,000,000.
(B) Outlays, $9,800,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
Fiscal year 1997:
(A) New budget authority, $5,400,000,000.
(B) Outlays, $7,300,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
Fiscal year 1998:
(A) New budget authority, $5,100,000,000.
(B) Outlays, $5,600,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
Fiscal year 1999:
(A) New budget authority, $5,100,000,000.
(B) Outlays, $5,100,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
Fiscal year 2000:
(A) New budget authority, $5,000,000,000.
(B) Outlays, $5,100,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
Fiscal year 2001:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $5,000,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
Fiscal year 2002:
(A) New budget authority, $4,400,000,000.
(B) Outlays, $5,000,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1996:
(A) New budget authority, $48,100,000,000.
(B) Outlays, $51,700,000,000.
(C) New direct loan obligations, $13,600,000,000.
(D) New primary loan guarantee commitments, $16,300,000,000.
Fiscal year 1997:
(A) New budget authority, $47,300,000,000.
(B) Outlays, $47,900,000,000.
(C) New direct loan obligations, $16,300,000,000.
(D) New primary loan guarantee commitments, $15,900,000,000.
Fiscal year 1998:
(A) New budget authority, $47,200,000,000.
(B) Outlays, $47,000,000,000.
(C) New direct loan obligations, $19,100,000,000.
(D) New primary loan guarantee commitments, $15,200,000,000.
Fiscal year 1999:
(A) New budget authority, $47,400,000,000.
(B) Outlays, $46,800,000,000.
(C) New direct loan obligations, $21,800,000,000.
(D) New primary loan guarantee commitments, $14,300,000,000.
Fiscal year 2000:
(A) New budget authority, $47,800,000,000.
(B) Outlays, $47,300,000,000.
(C) New direct loan obligations, $21,900,000,000.
(D) New primary loan guarantee commitments, $15,000,000,000.
Fiscal year 2001:
(A) New budget authority, $47,300,000,000.
(B) Outlays, $46,800,000,000.
(C) New direct loan obligations, $22,000,000,000.
(D) New primary loan guarantee commitments, $15,800,000,000.
Fiscal year 2002:
(A) New budget authority, $47,400,000,000.
(B) Outlays, $46,900,000,000.
(C) New direct loan obligations, $22,200,000,000.
(D) New primary loan guarantee commitments, $16,600,000,000.
(11) Health (550):
Fiscal year 1996:
(A) New budget authority, $118,800,000,000.
(B) Outlays, $119,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1997:
(A) New budget authority, $124,500,000,000.
(B) Outlays, $124,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1998:
(A) New budget authority, $128,800,000,000.
(B) Outlays, $128,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1999:
(A) New budget authority, $132,600,000,000.
(B) Outlays, $132,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 2000:
(A) New budget authority, $136,500,000,000.
(B) Outlays, $136,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 2001:
(A) New budget authority, $140,400,000,000.
(B) Outlays, $140,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 2002:
(A) New budget authority, $144,600,000,000.
(B) Outlays, $144,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
(12) Medicare (570):
Fiscal year 1996:
(A) New budget authority, $171,900,000,000.
(B) Outlays, $169,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $180,500,000,000.
(B) Outlays, $178,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $193,100,000,000.
(B) Outlays, $191,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $207,400,000,000.
(B) Outlays, $204,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $221,400,000,000.
(B) Outlays, $219,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $238,900,000,000.
(B) Outlays, $236,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $258,900,000,000.
(B) Outlays, $256,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) For purposes of section 710 of the Social Security Act, Federal Supplementary Medical Insurance Trust Fund:
Fiscal year 1996:
(A) New budget authority, $61,200,000,000.
(B) Outlays, $60,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $66,500,000,000.
(B) Outlays, $65,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $73,700,000,000.
(B) Outlays, $73,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $81,900,000,000.
(B) Outlays, $81,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $90,300,000,000.
(B) Outlays, $89,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $100,400,000,000.
(B) Outlays, $99,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $112,300,000,000.
(B) Outlays, $111,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(14) Income Security (600):
Fiscal year 1996:
(A) New budget authority, $226,300,000,000.
(B) Outlays, $225,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,000,000,000.
Fiscal year 1997:
(A) New budget authority, $233,700,000,000.
(B) Outlays, $235,600,000,000.

(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,000,000,000.
Fiscal year 1998:
(A) New budget authority, $253,000,000,000.
(B) Outlays, $246,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,000,000,000.
Fiscal year 1999:
(A) New budget authority, $256,000,000,000.
(B) Outlays, $257,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,000,000,000.
Fiscal year 2000:
(A) New budget authority, $272,600,000,000.
(B) Outlays, $272,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,000,000,000.
Fiscal year 2001:
(A) New budget authority, $277,500,000,000.
(B) Outlays, $277,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,000,000,000.
Fiscal year 2002:
(A) New budget authority, $291,900,000,000.
(B) Outlays, $291,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,000,000,000.
(15) Social Security (650):
Fiscal year 1996:
(A) New budget authority, $5,900,000,000.
(B) Outlays, $8,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $8,100,000,000.
(B) Outlays, $10,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $11,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,600,000,000.
(B) Outlays, $12,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $10,500,000,000.
(B) Outlays, $12,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $11,100,000,000.
(B) Outlays, $13,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $11,700,000,000.
(B) Outlays, $14,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(16) Veterans Benefits and Services (700):
Fiscal year 1996:
(A) New budget authority, $37,400,000,000.
(B) Outlays, $36,900,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $26,700,000,000.
Fiscal year 1997:
(A) New budget authority, $37,500,000,000.
(B) Outlays, $37,700,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $21,600,000,000.
Fiscal year 1998:
(A) New budget authority, $37,600,000,000.
(B) Outlays, $38,000,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $19,700,000,000.
Fiscal year 1999:
(A) New budget authority, $37,900,000,000.
(B) Outlays, $38,200,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $18,600,000,000.
Fiscal year 2000:
(A) New budget authority, $37,900,000,000.
(B) Outlays, $39,400,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $19,300,000,000.
Fiscal year 2001:
(A) New budget authority, $38,300,000,000.
(B) Outlays, $40,100,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $19,900,000,000.
Fiscal year 2002:
(A) New budget authority, $38,700,000,000.
(B) Outlays, $40,400,000,000.
(C) New direct loan obligations, $1,700,000,000.
(D) New primary loan guarantee commitments, $20,600,000,000.
(17) Administration of Justice (750):
Fiscal year 1996:
(A) New budget authority, $20,000,000,000.
(B) Outlays, $19,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $20,700,000,000.
(B) Outlays, $21,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $21,400,000,000.
(B) Outlays, $22,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $22,300,000,000.
(B) Outlays, $23,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $22,300,000,000.
(B) Outlays, $23,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $21,900,000,000.
(B) Outlays, $23,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $21,800,000,000.
(B) Outlays, $23,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) General Government (800):
Fiscal year 1996:
(A) New budget authority, $12,500,000,000.
(B) Outlays, $13,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $12,400,000,000.
(B) Outlays, $12,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $12,200,000,000.
(B) Outlays, $12,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $12,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $11,600,000,000.
(B) Outlays, $11,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $11,600,000,000.
(B) Outlays, $11,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1996:
(A) New budget authority, $297,500,000,000.
(B) Outlays, $297,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $308,200,000,000.
(B) Outlays, $308,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $316,000,000,000.
(B) Outlays, $316,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $327,300,000,000.
(B) Outlays, $327,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $338,300,000,000.
(B) Outlays, $338,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $345,200,000,000.
(B) Outlays, $345,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $353,000,000,000.
(B) Outlays, $353,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) For purposes of section 710 of the Social Security Act, Net Interest (900):
Fiscal year 1996:
(A) New budget authority, $308,400,000,000.
(B) Outlays, $308,400,000,000.
(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $319,100,000,000.

(B) Outlays, $319,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $326,300,000,000.

(B) Outlays, $326,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $336,600,000,000.

(B) Outlays, $336,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $346,000,000,000.

(B) Outlays, $346,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $350,900,000,000.

(B) Outlays, $350,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $356,100,000,000.

(B) Outlays, $356,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(21) The corresponding levels of gross interest on the public debt are as follows:

Fiscal year 1996: $369,198,000,000.

Fiscal year 1997: $379,464,000,000.

Fiscal year 1998: $387,544,000,000.

Fiscal year 1999: $399,682,000,000.

Fiscal year 2000: $411,144,000,000.

Fiscal year 2001: $421,368,000,000.

Fiscal year 2002: $430,460,000,000.

(22) Allowances (920):

Fiscal year 1996:

(A) New budget authority, −$8,600,000,000.

(B) Outlays, −$6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$26,100,000,000.

(B) Outlays, −$23,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$25,100,000,000.

(B) Outlays, −$23,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$26,300,000,000.

(B) Outlays, −$24,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, −$26,000,000,000.

(B) Outlays, −$24,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, −$34,000,000,000.

(B) Outlays, −$31,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, −$35,300,000,000.

(B) Outlays, −$32,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(23) Undistributed Offsetting Receipts (950):

Fiscal year 1996:

(A) New budget authority, −$33,100,000,000.

(B) Outlays, −$33,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$33,800,000,000.

(B) Outlays, −$33,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$36,300,000,000.

(B) Outlays, −$36,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$37,700,000,000.

(B) Outlays, −$37,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, −$39,700,000,000.

(B) Outlays, −$39,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, −$41,100,000,000.

(B) Outlays, −$41,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, −$42,300,000,000.

(B) Outlays, −$42,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(24) For purposes of section 710 of the Social Security Act, Undistributed Offsetting Receipts (950):

Fiscal year 1996:

(A) New budget authority, −$30,600,000,000.

(B) Outlays, −$30,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$31,200,000,000.

(B) Outlays, −$31,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$33,600,000,000.

(B) Outlays, −$33,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$34,900,000,000.

(B) Outlays, −$34,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, −$36,700,000,000.

(B) Outlays, −$36,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, −$37,900,000,000.

(B) Outlays, −$37,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, −$39,000,000,000.

(B) Outlays, −$39,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

SEC. 6. RECONCILIATION.

(a) SENATE COMMITTEES.—Not later than July 14, 1995, the committees named in this subsection shall submit their recommendations to the Committee on the Budget of the Senate. After receiving those recommendations, the Committee on the Budget shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(1) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $2,490,000,000 in fiscal year 1996, $27,973,000,000 for the period of fiscal years 1996 through 2000, and $45,804,000,000 for the period of fiscal years 1996 through 2002.

(2) COMMITTEE ON ARMED SERVICES.—The Senate Committee on Armed Services shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $21,000,000 in fiscal year 1996, $338,000,000 for the period of fiscal years 1996 through 2000, and $649,000,000 for the period of fiscal years 1996 through 2002.

(3) COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS.—The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within its jurisdiction to reduce the deficit $373,000,000 in fiscal year 1996, $5,742,000,000 for the period of fiscal years 1996 through 2000, and $6,690,000,000 for the period of fiscal years 1996 through 2002.

(4) COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION.—The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction to reduce the deficit $2,464,000,000 in fiscal year 1996, $21,937,000,000 for the period of fiscal years 1996 through 2000, and $33,685,000,000 for the period of fiscal years 1996 through 2002.

(5) COMMITTEE ON ENERGY AND NATURAL RESOURCES.—The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $1,771,000,000 in fiscal year 1996, $4,775,000,000 for the period of fiscal years 1996 through 2000, and $5,001,000,000 for the period of fiscal years 1996 through 2002.

(6) COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS.—The Senate Committee on Environment and Public Works shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $106,000,000 in fiscal year 1996, $1,290,000,000 for the period of fiscal years 1996 through 2000, and $2,236,000,000 for the period of fiscal years 1996 through 2002.

(7) COMMITTEE ON FINANCE.—The Senate Committee on Finance shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $22,757,000,000 in fiscal year 1996, $294,260,000,000 for the period of fiscal years 1996 through 2000, and $544,302,000,000 for the period of fiscal years 1996 through 2002.

(8) COMMITTEE ON FOREIGN RELATIONS.—The Senate Committee on Foreign Relations shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $0 in fiscal year 1996, $0 for the period of fiscal years 1996 through 2000, and $0 for the period of fiscal years 1996 through 2002.

(9) COMMITTEE ON GOVERNMENTAL AFFAIRS.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $118,000,000 in fiscal year 1996, $3,023,000,000 for the period of

fiscal years 1996 through 2000, and $6,871,000,000 for the period of fiscal years 1996 through 2002.

(10) COMMITTEE ON THE JUDICIARY.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $119,000,000 in fiscal year 1996, $923,000,000 for the period of fiscal years 1996 through 2000, and $1,483,000,000 for the period of fiscal years 1996 through 2002.

(11) COMMITTEE ON LABOR AND HUMAN RESOURCES.—The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $1,141,000,000 in fiscal year 1996, $9,165,000,000 for the period of fiscal years 1996 through 2000, and $13,795,000,000 for the period of fiscal years 1996 through 2002.

(12) COMMITTEE ON RULES AND ADMINISTRATION.—The Senate Committee on Rules and Administration shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $2,000,000 in fiscal year 1996, $280,000,000 for the period of fiscal years 1996 through 2000, and $319,000,000 for the period of fiscal years 1996 through 2002.

(13) COMMITTEE ON VETERANS' AFFAIRS.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $301,000,000 in fiscal year 1996, $5,760,000,000 for the period of fiscal years 1996 through 2000, and $10,002,000,000 for the period of fiscal years 1996 through 2002.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

SEC. 201. DISCRETIONARY SPENDING LIMITS.

(a) DEFINITION.—As used in this section and for the purposes of allocations made pursuant to section 602(a) of the Congressional Budget Act of 1974, for the discretionary category, the term ''discretionary spending limit'' means—

(1) with respect to fiscal year 1996—

(A) for the defense category $258,379,000,000 in new budget authority and $262,035,000,000 in outlays; and

(B) for the nondefense category $219,441,000,000 in new budget authority and $264,908,000,000 in outlays;

(2) with respect to fiscal year 1997—

(A) for the defense category $254,028,000,000 in new budget authority and $257,695,000,000 in outlays; and

(B) for the nondefense category $194,542,000,000 in new budget authority and $234,248,000,000 in outlays;

(3) with respect to fiscal year 1998—

(A) for the defense category $260,321,000,000 in new budget authority and $255,226,000,000 in outlays; and

(B) for the nondefense category $201,387,000,000 in new budget authority and $228,735,000,000 in outlays;

(4) with respect to fiscal year 1999—

(A) for the defense category $266,906,000,000 in new budget authority and $260,331,000,000 in outlays; and

(B) for the nondefense category $191,023,000,000 in new budget authority and $225,240,000,000 in outlays;

(5) with respect to fiscal year 2000—

(A) for the defense category $276,644,000,000 in new budget authority and $268,468,000,000 in outlays; and

(B) for the nondefense category $195,215,000,000 in new budget authority and $225,293,000,000 in outlays;

(6) with respect to fiscal year 2001—

(A) for the defense category $276,644,000,000 in new budget authority and $268,468,000,000 in outlays; and

(B) for the nondefense category $191,112,000,000 in new budget authority and $223,790,000,000 in outlays; and

(7) with respect to fiscal year 2002—

(A) for the defense category $276,644,000,000 in new budget authority and $270,000,000,000 in outlays; and

(B) for the nondefense category $189,259,000,000 in new budget authority and $222,060,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

(b) POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

(A) any concurrent resolution on the budget for fiscal year 1996, 1997, 1998, 1999, 2000, 2001, or 2002 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the sum of the defense and nondefense discretionary spending limits for such fiscal year; or

(B) any appropriations bill or resolution (or amendment, motion, or conference report on such appropriations bill or resolution) for fiscal year 1995, 1996, 1997, 1998, 1999, 2000, 2001, or 2002 that would exceed any of the discretionary spending limits in this section or suballocations of those limits made pursuant to section 602(b) of the Congressional Budget Act of 1974.

(2) EXCEPTION.—This section shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

SEC. 202. EXTENSION OF PAY-AS-YOU-GO POINT OF ORDER.

(a) PURPOSE.—The Senate declares that it is essential to—

(1) ensure continued compliance with the balanced budget plan set forth in this resolution; and

(2) continue the pay-as-you-go enforcement system.

(b) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct-spending or receipts legislation (as defined in paragraph (3)) that would increase the deficit for any one of the three applicable time periods (as defined in paragraph (2)) as measured pursuant to paragraph (4).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection, the term ''applicable time period'' means any one of the three following periods—

(A) the first fiscal year covered by the most recently adopted concurrent resolution on the budget;

(B) the period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget; or

(C) the period of the 5 fiscal years following the first 5 years covered by the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING OR RECEIPTS LEGISLATION.—For purposes of this subsection, the term ''direct-spending or receipts legislation'' shall—

(A) except as otherwise provided in this subsection, include all direct-spending legislation as that term is interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985;

(B) include—

(i) any bill, joint resolution, amendment, motion, or conference report to which this subsection otherwise applies; and

(ii) the estimated amount of savings in direct-spending programs applicable to that fiscal year resulting from the prior year's sequestration under the Balanced Budget and Emergency Deficit Control Act of 1985, if any (except for any amounts sequestered as a result of a net deficit increase in the fiscal year immediately preceding the prior fiscal year); and

(C) exclude—

(i) any concurrent resolution on the budget; and

(ii) full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(4) BASELINE.—Estimates prepared pursuant to this section shall—

(A) use the baseline used for the most recent concurrent resolution on the budget, and for years beyond those covered by that concurrent resolution; and

(B) abide by the requirements of subsections (a) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, except that references to ''outyears'' in that section shall be deemed to apply to any year (other than the budget year) covered by any one of the time periods defined in paragraph (2) of this subsection.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and receipts for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

(f) CONFORMING AMENDMENT.—Section 23 of House Concurrent Resolution 218 (103d Congress) is repealed.

(g) SUNSET.—Subsections (a) through (e) of this section shall expire September 30, 2002.

SEC. 203. BUDGET SURPLUS ALLOWANCE.

(a) ADJUSTMENTS.—For the purposes of points of order under the Congressional Budget and Impoundment Act of 1974 and this concurrent resolution on the budget, the revenue aggregates shall be reduced and other appropriate budgetary aggregates and levels shall be revised to reflect the additional deficit reduction achieved as calculated under section (c) for legislation that reduces revenues.

(b) REVISED AGGREGATES.—Upon the reporting to the Committee on the Budget of legislation that complies with reconciliation directives of section 6, and upon the reporting of the conference committee on such legislation (if a conference report is submitted),

the Chairman of the Committee on the Budget of the Senate shall submit to the Senate appropriately revised budgetary aggregates and levels by an amount that does not exceed the additional deficit reduction calculated under subsection (d).

(c) CBO REVISED DEFICIT ESTIMATE.—Upon the reporting to the Committee on the Budget of legislation that complies with reconciliation directives of section 6, and upon the reporting of the conference committee on such legislation (if a conference report is submitted), the Congressional Budget Office shall provide the Chairman of the Committee on Budget of the Senate a revised estimate of the deficit for fiscal years 1996 through 2005 that assumes enactment of such legislation.

(d) ADDITIONAL DEFICIT REDUCTION.—For purposes of this section, the term ''additional deficit reduction'' means the amount by which the total deficit levels assumed in this resolution for a fiscal year exceed the revised deficit estimate provided pursuant to subsection (c) for such fiscal year for fiscal years 1996 through 2005.

(e) CBO CERTIFICATION AND CONTINGENCIES.—This section shall not apply unless—

(1) the Director of the Congressional Budget Office has provided the estimates required by subsection (c); and

(2) the revisions made pursuant to this subsection do not cause a budget deficit for fiscal year 2002, 2003, 2004, or 2005.

SEC. 204. TAX RESERVE FUND IN THE SENATE.

(a) IN GENERAL.—Upon the reporting to the Committee on the Budget of legislation complying with the reconciliation requirements of Section 6, revenue and spending aggregates shall be reduced and allocations shall be revised for legislation that reduces revenues within the Finance Committees jurisdiction by the following amounts:

1996—$3,000,000,000;
1997—$7,000,000,000;
1998—$14,000,000,000;
1999—$23,000,000,000;
2000—$32,000,000,000;
2001—$41,000,000,000;
2002—$50,000,000,000.

or by such amounts defined as ''additional deficit reduction'' in section 203(d) if less than the amounts specified herein, provided that the costs of such legislation are not included in the concurrent resolution on the budget and the enactment of such legislation will not increase the deficit in this resolution for—

(1) fiscal year 1996;

(2) the period of fiscal years 1996 through 2000; or

(3) the period of fiscal years 2001 through 2005.

(b) REVISED ALLOCATIONS.—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 Chairman of the Committee on the Budget of the Senate shall file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. These revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels and aggregates contained in this concurrent resolution on the budget.

(c) REPORTING REVISED ALLOCATIONS.—The appropriate committee shall report appropriately revise allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this section.

SEC. 205. SCORING OF EMERGENCY LEGISLATION.

Notwithstanding section 606(d)(2) of the Congressional Budget Act of 1974 and beginning with fiscal year 1996, the determinations under sections 302, 303, and 311 of such Act shall take into account any new budget authority, new entitlement authority, outlays, receipts, or deficit effects as a consequence of the provisions of section 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 206. SALE OF GOVERNMENT ASSETS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the prohibition on scoring asset sales has discouraged the sale of assets that can be better managed by the private sector and generate receipts to reduce the Federal budget deficit;

(2) the President's fiscal year 1996 budget included $8,000,000,000 in receipts from asset sales and proposed a change in the asset sale scoring rule to allow the proceeds from these sales to be scored;

(3) assets should not be sold if such sale would increase the budget deficit over the long run; and

(4) the asset sale scoring prohibition should be repealed and consideration should be given to replacing it with a methodology that takes into account the long-term budgetary impact of asset sales.

(b) BUDGETARY TREATMENT.—For purposes of any concurrent resolution on the budget and the Congressional Budget and Impoundment Control Act of 1974, the amounts realized from sales of assets shall be scored with respect to the level of budget authority, outlays, or revenues.

(c) DEFINITIONS.—For purposes of this section, the term ''sale of an asset'' shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(d) TREATMENT OF LOAN ASSETS.—For the purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

SEC. 207. CREDIT REFORM AND GUARANTEED STUDENT LOANS.

For the purposes of allocations and points of order under the Congressional Budget Act of 1974 and this resolution, the cost of a direct loan shall be the net present value, at the time when the direct loan is disbursed, of the following cash flows for the estimated life of the loan:

(1) Loan disbursements.

(2) Repayments of principal.

(3) Payments of interest and other payments by or to the Government over the life of the loan after adjusting for estimated defaults, prepayments, fees, penalties, and other recoveries.

(4) In the case of legislation increasing direct loan commitments for a program in which loan commitments will equal or exceed $5,000,000,000 for the coming fiscal year (or for any prior fiscal year), direct expenses, including—

(A) activities related to credit extension, loan origination, loan servicing, training, program promotion, management of contractors, and payments to contractors, other government entities, and program participants;

(B) collection of delinquent loans; and

(C) writeoff and closeout of loans.

SEC. 208. EXTENSION OF BUDGET ACT 60-VOTE ENFORCEMENT THROUGH 2002.

Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by sections 13112(b) and 13208(b)(3) of the Budget Enforcement Act of 1990), the second sentence of section 904(c) of the Congressional Budget Act of 1974 (except insofar as it relates to section 313 of that Act) and the final sentence of section 904(d) of that Act (except insofar as it relates to section 313 of that Act) shall continue to have effect as rules of the Senate through (but no later than) September 30, 2002.

SEC. 209. REPEAL OF IRS ALLOWANCE.

Section 25 of House Concurrent Resolution 218 (103d Congress, 2d Session) is repealed.

SEC. 210. EXERCISE OF RULEMAKING POWERS.

The Senate adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate, and as such they shall be considered as part of the rules of the Senate, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change those rules (so far as they relate to the Senate) at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

EXON (AND OTHERS) AMENDMENT NO. 1124

Mr. EXON (for himself, Mr. LAUTENBERG, Mr. HARKIN, Mr. KENNEDY, Mrs. MURRAY, Mr. BREAUX, Mr. DASCHLE, Mr. DODD, and Mr. BRADLEY) proposed an amendment to the concurrent resolution S. Con. Res. 13, supra; as follows:

On page 74, strike beginning with line 12 through line 12 on page 77 and insert the following: ''budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect—

''(1) $100,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on medicare and medicaid of—

''(A) increased premiums;

''(B) increased deductibles;

''(C) increased copayments;

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

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

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

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

''(H) other costs to beneficiaries;

''(2) $18,000,000,000 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;

''(3) $10,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on direct spending within the jurisdiction of the Committee on Agriculture;

''(4) $17,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that restores the full current law earned income tax credit under section 32 of the Internal Revenue Code of 1986;

''(5) $3,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on programs for veterans; and

''(6) $10,000,000,000 in budget authority and outlays of the additional deficit reduction

achieved as calculated under subsection (c) which shall be subject to allocation by the Committee on the Budget, by majority vote.

The amounts provided by paragraphs (1) through (6) shall be proportionally adjusted based on any increase or decrease in the projected allowance of $170,000,000,000.

''(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 (d).

''(c) CBO REVISED DEFICIT ESTIMATE.—After the enactment of legislation that complies with the reconciliation directives of section 6, the Congressional Budget Office shall provide the Chairman of the Committee on the Budget of the Senate a revised estimate of the deficit for fiscal years 1996 through 2005.

''(d) ADDITIONAL DEFICIT REDUCTION.—For purposes of this section, the term ''additional deficit reduction'' means the amount by which the total deficit levels assumed in this resolution for a fiscal year exceed the revised deficit estimate provided pursuant to subsection (c) for such fiscal year for fiscal years 1996 through 2005.

''(e) CBO CERTIFICATION AND CONTINGENCIES.—This section shall not apply unless—

''(1) legislation has been enacted complying with the reconciliation directives of section 6;

''(2) the Director of the Congressional Budget Office has provided the estimate required by subsection (c); and

''(3) the revisions made pursuant to this subsection do not cause a budget deficit for fiscal year 2002, 2003, 2004, and 2005.

''SEC. 205. SCORING OF EMERGENCY LEGISLATION.

''Notwithstanding section 606(d)(2) of the Congressional Budget Act of 1974 and beginning with fiscal year 1996, the determinations under sections 302, 303, and 311 of such Act shall take into account any new budget authority, new entitlement authority, outlays, receipts, or deficit effects as a consequence of the provisions of section 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.''.

THURMOND (AND OTHERS) AMENDMENT NO. 1125

Mr. THURMOND (for himself, Mr. MCCAIN, Mrs. HUTCHISON, Mr. WARNER, Mr. COATS, Mr. INHOFE, Mr. KEMPTHORNE, Mr. LOTT, Mr. SMITH, Mr. COHEN, Mr. SANTORUM, and Mr. STEVENS) proposed an amendment to the concurrent resolution S. Con. Res. 13, supra; as follows:

On page 11, line 7, increase the amount by $9,600,000,000.

On page 11, line 8, increase the amount by $4,000,000,000.

On page 11, line 14, increase the amount by $15,900,000,000.

On page 11, line 15, increase the amount by $8,300,000,000.

On page 11, line 21, increase the amount by $17,700,000,000.

On page 11, line 22, increase the amount by $10,800,000,000.

On page 12, line 3, increase the amount by $15,100,000,000.

On page 12, line 4, increase the amount by $11,700,000,000.

On page 12, line 10, increase the amount by $11,300,000,000.

On page 12, line 11, increase the amount by $11,500,000,000.

On page 12, line 17, increase the amount by $11,400,000,000.

On page 12, line 18, increase the amount by $11,600,000,000.

On page 12, line 24, increase the amount by $11,300,000,000.

On page 12, line 25, increase the amount by $10,000,000,000.

On page 54, line 20, decrease the amount by $9,600,000,000.

On page 54, line 21, decrease the amount by $4,000,000,000.

On page 55, line 2, decrease the amount by $15,900,000,000.

On page 55, line 3, decrease the amount by $8,300,000,000.

On page 55, line 9, decrease the amount by $17,700,000,000.

On page 55, line 10, decrease the amount by $10,800,000,000.

On page 55, line 16, decrease the amount by $15,100,000,000.

On page 55, line 17, decrease the amount by $11,700,000,000.

On page 55, line 23, decrease the amount by $11,300,000,000.

On page 55, line 24, decrease the amount by $11,500,000,000.

On page 56, line 5, decrease the amount by $11,400,000,000.

On page 56, line 6, decrease the amount by $11,600,000,000.

On page 56, line 12, decrease the amount by $11,300,000,000.

On page 56, line 13, decrease the amount by $10,000,000,000.

On page 65, line 14, increase the amount by $9,600,000,000.

On page 65, line 15, increase the amount by $4,000,000,000.

On page 65, line 17, decrease the amount by $9,600,000,000.

On page 65, line 18, decrease the amount by $4,000,000,000.

On page 65, line 21, increase the amount by $15,900,000,000.

On page 65, line 22, increase the amount by $8,300,000,000.

On page 65, line 24, decrease the amount by $15,900,000,000.

On page 65, line 25, decrease the amount by $8,300,000,000.

On page 66, line 3, increase the amount by $17,700,000,000.

On page 66, line 4, increase the amount by $10,800,000,000.

On page 66, line 6, decrease the amount by $17,700,000,000.

On page 66, line 7, decrease the amount by $10,800,000,000.

On page 66, line 10, increase the amount by $15,100,000,000.

On page 66, line 11, increase the amount by $11,700,000,000.

On page 66, line 13, decrease the amount by $15,100,000,000.

On page 66, line 14, decrease the amount by $11,700,000,000.

On page 66, line 17, increase the amount by $11,300,000,000.

On page 66, line 18, increase the amount by $11,500,000,000.

On page 66, line 20, decrease the amount by $11,300,000,000.

On page 66, line 21, decrease the amount by $11,500,000,000.

On page 66, line 24, increase the amount by $11,400,000,000.

On page 66, line 25, increase the amount by $11,600,000,000.

On page 67, line , decrease the amount by $11,400,000,000.

On page 67, line , decrease the amount by $11,600,000,000.

On page 67, line 6, increase the amount by $11,300,000,000.

On page 67, line 7, increase the amount by $10,000,000,000.

On page 67, line 9, decrease the amount by $11,300,000,000.

On page 67, line 10, decrease the amount by $10,000,000,000.

On page 68, after line 12, add the following new paragraph:

(3) It is the sense of the Senate that the Senate should waive all points of order that would preclude increasing non-defense spending in any one fiscal year by up to $2 billion and, at the same time, decreasing defense spending in any one fiscal year by up to $2 billion, from the levels of discretionary spending in this section. It is further the sense of the Senate that defense spending may not be reduced by more than a total of $10 billion and non-defense spending may not be increased by more than a total of $10 billion over the seven years of the resolution, from the levels of discretionary spending in this section.

HARKIN (AND BUMPERS) AMENDMENT NO. 1126

Mr. HARKIN (for himself and Mr. BUMPERS) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 12, line 3, decrease the amount by $4,800,000,000.

On page 12, line 4, decrease the amount by $1,000,000,000.

On page 12, line 10, decrease the amount by $10,000,000,000.

On page 12, line 11, decrease the amount by $3,400,000,000.

On page 12, line 17, decrease the amount by $10,000,000,000.

On page 12, line 18, decrease the amount by $6,200,000,000.

On page 12, line 24, decrease the amount by $10,000,000,000.

On page 12, line 25, decrease the amount by $6,200,000,000.

On page 32, line 11, increase the amount by $4,800,000,000.

On page 32, line 12, increase the amount by $1,000,000,000.

On page 32, line 19, increase the amount by $10,000,000,000.

On page 32, line 20, increase the amount by $3,400,000,000.

On page 33, line 2, increase the amount by $10,000,000,000.

On page 33, line 3, increase the amount by $6,200,000,000.

On page 33, line 10, increase the amount by $10,000,000,000.

On page 33, line 11, increase the amount by $6,200,000,000.

On page 66, line 10, decrease the amount by $4,800,000,000.

On page 66, line 11, decrease the amount by $1,000,000,000.

On page 66, line 13, increase the amount by $4,800,000,000.

On page 66, line 14, increase the amount by $1,000,000,000.

On page 66, line 17, decrease the amount by $10,000,000,000.

On page 66, line 18, decrease the amount by $3,400,000,000.

On page 66, line 20, increase the amount by $10,000,000,000.

On page 66, line 21, increase the amount by $3,400,000,000.

On page 66, line 24, decrease the amount by $10,000,000,000.

On page 66, line 25, decrease the amount by $6,200,000,000.

On page 67, line 2, increase the amount by $10,000,000,000.

On page 67, line 3, increase the amount by $6,200,000,000.

On page 67, line 6, decrease the amount by $10,000,000,000.

On page 67, line 7, decrease the amount by $6,200,000,000.

On page 67, line 9, increase the amount by $10,000,000,000.

On page 67, line 10, increase the amount by $6,200,000,000.

FEINGOLD (AND OTHERS) AMENDMENT NO. 1127

Mr. FEINGOLD (for himself, Mr. HOLLINGS, Mr. BYRD, Mr. NUNN, Mr. BUMPERS, Mr. KERREY, Mr. ROBB, Mr. DORGAN, Mr. SIMON, Mrs. MURRAY, and Ms. MOSELEY-BRAUN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 74, strike beginning with line 8 through page 75, line 22.

SNOWE (AND OTHERS) AMENDMENT NO. 1128

Ms. SNOWE (for herself, Mr. ABRAHAM, Mr. GRASSLEY, Mr. BROWN, Mrs. KASSEBAUM, Mr. COHEN, Mr. LOTT, Mr. CHAFEE, and Mr. SIMPSON) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 26, decrease the amount on line 20 by $200,000,000.

On page 26, decrease the amount on line 21 by $100,000,000.

On page 27, decrease the amount on line 3 by $200,000,000.

On page 27, decrease the amount on line 4 by $300,000,000.

On page 27, decrease the amount on line 11 by $200,000,000.

On page 27, decrease the amount on line 12 by $300,000,000.

On page 27, decrease the amount on line 19 by $200,000,000.

On page 27, decrease the amount on line 20 by $300,000,000.

On page 28, decrease the amount on line 2 by $200,000,000.

On page 28, decrease the amount on line 3 by $300,000,000.

On page 28, decrease the amount on line 10 by $200,000,000.

On page 28, decrease the amount on line 11 by $300,000,000.

On page 28, decrease the amount on line 18 by $200,000,000.

On page 28, decrease the amount on line 19 by $300,000,000.

On page 31, increase the amount on line 12 by $900,000,000.

On page 31, increase the amount on line 13 by $500,000,000.

On page 31, increase the amount on line 20 by $1,000,000,000.

On page 31, increase the amount on line 21 by $800,000,000.

On page 32, increase the amount on line 3 by $1,000,000,000.

On page 32, increase the amount on line 4 by $900,000,000.

On page 32, increase the amount on line 11 by $1,000,000,000.

On page 32, increase the amount on line 12 by $1,000,000,000.

On page 32, increase the amount on line 19 by $1,000,000,000.

On page 32, increase the amount on line 20 by $1,100,000,000.

On page 33, increase the amount on line 2 by $1,000,000,000.

On page 33, increase the amount on line 3 by $1,100,000,000.

On page 33, increase the amount on line 10 by $1,000,000,000.

On page 33, increase the amount on line 11 by $1,100,000,000.

On page 48, decrease the amount on line 10 by $300,000,000.

On page 48, decrease the amount on line 17 by $300,000,000.

On page 48, decrease the amount on line 24 by $300,000,000.

On page 48, decrease the amount on line 25 by $100,000,000.

On page 49, decrease the amount on line 6 by $300,000,000.

On page 49, decrease the amount on line 7 by $200,000,000.

On page 49, decrease the amount on line 13 by $300,000,000.

On page 49, decrease the amount on line 14 by $300,000,000.

On page 49, decrease the amount on line 20 by $300,000,000.

On page 49, decrease the amount on line 21 by $300,000,000.

On page 50, decrease the amount on line 2 by $300,000,000.

On page 50, decrease the amount on line 3 by $300,000,000.

On page 54, decrease the amount on line 20 by $400,000,000.

On page 54, decrease the amount on line 21 by $400,000,000.

On page 55, decrease the amount on line 2 by $500,000,000.

On page 55, decrease the amount on line 3 by $500,000,000.

On page 55, decrease the amount on line 9 by $500,000,000.

On page 55, decrease the amount on line 10 by $500,000,000.

On page 55, decrease the amount on line 16 by $500,000,000.

On page 55, decrease the amount on line 17 by $500,000,000.

On page 55, decrease the amount on line 23 by $500,000,000.

On page 55, decrease the amount on line 24 by $500,000,000.

On page 56, decrease the amount on line 5 by $500,000,000.

On page 56, decrease the amount on line 6 by $500,000,000.

On page 56, decrease the amount on line 12 by $500,000,000.

On page 56, decrease the amount on line 13 by $500,000,000.

On page 64, decrease the amount on line 9 by $500,000,000.

On page 64, decrease the amount on line 10 by $4,300,000,000.

On page 64, decrease the amount on line 11 by $6,500,000,000.

On page 65, decrease the amount on line 17 by $900,000,000.

On page 65, decrease the amount on line 18 by $500,000,000.

On page 65, decrease the amount on line 24 by $1,000,000,000.

On page 65, decrease the amount on line 25 by $800,000,000.

On page 66, decrease the amount on line 6 by $1,000,000,000.

On page 66, decrease the amount on line 7 by $900,000,000.

On page 66, decrease the amount on line 13 by $1,000,000,000.

On page 66, decrease the amount on line 14 by $1,000,000,000.

On page 66, decrease the amount on line 20 by $1,000,000,000.

On page 66, decrease the amount on line 21 by $1,100,000,000.

On page 67, decrease the amount on line 2 by $1,000,000,000.

On page 67, decrease the amount on line 3 by $1,100,000,000.

On page 67, decrease the amount on line 9 by $1,000,000,000.

On page 67, decrease the amount on line 10 by $1,100,000,000.

STEVENS (AND DOMENICI) AMENDMENT NO. 1129

Mr. STEVENS (for himself and Mr. DOMENICI) proposed an amendment to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

At the appropriate place in Title III of the resolution insert the following new section:

SEC. . SENSE OF THE CONGRESS REGARDING FULL FUNDING FOR DECADE OF THE BRAIN RESEARCH.

(a) FINDINGS.—The Congress finds that—

(1) long term health care costs associated with diseases and disorders of the brain have a substantial impact on federal expenditures for Medicaid and Medicare, and on the earning potential of the Nation;

(2) to highlight the impact of brain diseases and disorders on the economy and well being of the Nation the Congress has declared the 1990's the Decade of the Brain;

(3) meaningful research has been initiated as part of the Decade of the Brain;

(4) if fully funded this research could provide important new medical breakthroughs; and

(5) these breakthroughs could result in a significant reduction in costs to the Federal Government.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that in furtherance of the goals of the Decade of the Brain the appropriate committees should seek to ensure that full funding is provided for research on brain diseases and disorders in each of the fiscal years to which this resolution applies.

BUMPERS (AND OTHERS) AMENDMENT NO. 1130

Mr. BUMPERS (for himself, Mr. BRADLEY, Mrs. MURRAY, Mr. LIEBERMAN, Mr. BAUCUS, Mr. EXON, Mr. WELLSTONE, Mrs. BOXER, and Mrs. FEINSTEIN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

Strike line 7 on page 76 through line 12 on page 77.

NOTICE OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

Mr. STEVENS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR–301, Russell Senate Office Building, on Thursday, May 25, 1995, at 9:30 a.m., to receive testimony on the reauthorization of the Federal Election Commission.

For further information concerning this hearing, please contact Mark Mackie of the committee staff on 224–3448.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Tuesday, May 23, 1995, at 9:30 a.m., in SR–332.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Tuesday May 23, 1995 session of the Senate for the purpose of conducting an oversight hearing on NASA's Space Station program.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 23, 1995, at 10 a.m.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Tuesday, May 23, 1995, at 11 a.m. for a nomination hearing.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent on behalf of the Government Affairs Committee to meet on Tuesday, May 23, at 2:30 p.m. for a nomination hearing.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on the oversight of the EEOC, during the session of the Senate on Tuesday, May 23, 1995, at 9 a.m.

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

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, May 23, 1995, for purposes of conducting a subcommittee hearing which is scheduled to begin at 9:30 a.m.

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

SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Parks, Historic Preservation and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, May 23, 1995, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:30 p.m.

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

ADDITIONAL STATEMENTS

SUPPORT OF S. 507

• Mr. GRASSLEY. Mr. President, I am pleased to be an original cosponsor of S. 507, the False Identification Act of 1995, and I wish to congratulate the distinguished Senator from South Dakota for offering this important piece of legislation. S. 507 makes it a crime to transport through the mails false drivers licenses and other forms of ID to minors and lowers the number of false forms of ID necessary to trigger criminal liability from 5 to 3. And what do children do with phony drivers licenses? They purchase beer and liquor, gain admittance to bars and taverns, and purchase pornographic materials. A lot has been said recently about the need to protect our children from growing up too fast. S. 507 is an important step in that direction, by striking at unscrupulous, profiteering adults who provide children with the means of obtaining liquor and pornography.

Let me be clear on one fact about this legislation and the illicit sale of false identification which is not mentioned in the body of S. 507. The distribution of false ID cards directly involves interstate commerce, Mr. President.

I ask that a copy of advertisements, from the National Examiner be printed in the RECORD.

The material follows:

MISCELLANEOUS

I.D. CARDS $10

Professional high quality equipment, expert settings, lamination. Outsmarts competition. Money back guarantee.

PHOTO ID $8.00

Professionally Laminated Processed with Drivers License Equipment. Avoid Cheap Imitations and Embarrassment. Free Blank Birth Certificate not a Government document. Cash MO Fastest Service Guaranteed, Two $15.00 Photo Complete Description.

BLANK CERTIFICATES

Birth, Baptismal, Highschool, College, Marriage, Divorce, Awards, Wills. Guaranteed Realistic, Parchment Paper Embossed Gold Seals. U.S. Canada. All Or Any Eight $12.00 Cash, M.O. Same Day Service, Not Government Document.

PHOTO ID $8.00

Professionally Laminated Processed with Drivers License Equipment. Avoid Cheap Imitations and Embarrassment. Free Blank Birth Certificate not a Government document. Cash MO Fastest Service Guaranteed, Two $15.00 Photo Complete Description.

BLANK CERTIFICATES

Birth, Baptismal, Highschool, College, Marriage, Divorce, Awards, Wills. Guaranteed Realistic. Parchment Paper Embossed Gold Seals. U.S. Canada. All Or Any Eight $12.00 Cash, M.O. Same Day Service, Not Government Document.

''PHONY'' DRIVER'S LICENSES!

Free Information

Mr. GRASSLEY. This publication, which is openly available at supermarkets and convenience stores across the country, contains advertisements for—in the words of one of the advertisements—phony drivers licenses.

Mr. President, I submit that there is no socially redeeming use for phony drivers licenses. Indeed, the only conceivable use of such documents is to subvert State and Federal law. And as the Supreme Court recently reaffirmed in United States verses Lopez, on page 9 of the slip opinion, ''The power of Congress to keep the channels of interstate commerce free from immoral and injurious uses has been frequently sustained, and it is no longer open to question.'' Simply put, Mr. President, S. 507 helps to ensure that interstate commerce will not be used to further immoral activities, like providing children with phony drivers licenses so that they can purchase liquor and beer illegally. That is why I am pleased to support S. 507.

From the beginning of our country, States have prohibited the sale of liquor to children. S. 507 helps those States by providing Federal help to combat what is essentially a Federal problem—the interstate transfer of false forms of ID to children. I urge my colleagues to support S. 507.

THE DEATH OF LES ASPIN

• Mr. MOYNIHAN. Mr. President, this morning's Washington Post carried a fine editorial describing the long and distinguished public career of the Honorable Les Aspin, the former Secretary of Defense and our former colleague. The editorial observed that Secretary Aspin ''was above all a man engaged in the most important, high-stakes issues of his time.''

Having read this excellent account of Les Aspin's three decades of service to his country, I do not know what more I could say about my friend. I would accordingly ask that the editorial from today's Washington Post be printed in the RECORD, and I urge every Senator to read it.

The editorial follows:

[From the Washington Post, May 23, 1995]

LES ASPIN

We are trying to recall a moment in the past several decades when someone or other—or this political group or that party wing or the other lobby—wasn't mad at Les Aspin. And we come up empty. That is because the former defense secretary and chairman of the House Armed Services Committee, who died of a stroke at the age of 56 on Sunday, was above all a man engaged in the most important, high-stakes issues of his time. From his days as a college academic star and then a Defense Department whiz kid, as an internal government Vietnam War critic, a teacher and, for 22 years, a member of Congress from Wisconsin, Les Aspin never

lost either his capacity to master the most complicated issues of public policy or his frankly kid-like, ebullient enthusiasm for trying to resolve them. He was also a politician, and generally a pretty successful one.

Some of the problems Mr. Aspin had, especially on the Hill, were the all but inevitable lot of anyone trying to navigate the shoals of military defense policy in a (then) majority Democratic Party that was bitterly and irreconcilably divided between hawks and doves; unsurprisingly, his maneuverings as chairman of Armed Services frequently infuriated one or the other side, especially in the unending struggle over developing weapons systems. His own inclinations evolved from the more dovish to the more hawkish over the years. As Bill Clinton's first defense secretary, Mr. Aspin had the equally challenging job of trying to reconcile Pentagon thinking with Democratic Party thinking in the matter of Mr. Clinton's proposals for altering the status of gays in the military. His most notable accomplishment as secretary was the review of Pentagon budgeting and procurement procedures that he worked up in his 11 months there. His most notable public stand was that taken—rightly, in our view—in support of President Bush's policy on Kuwait at a time when so many other Democratic Party leaders in Congress were in doubt or in flight.

Mr. Aspin was humiliated by being pushed out of the Defense Department by Mr. Clinton and the other rivalrous members of Mr. Clinton's national security team. But the thing about the former defense secretary was that he couldn't stay humiliated or give vent to personal bitterness over such things. He came back to serve as head of the Clinton advisory group reviewing national intelligence. The faults for which Mr. Aspin was allegedly fired—imprecision, inability to manage the huge defense establishment and slowness in coming to clear-cut action decisions—were presumably real. Such defects would certainly go with the general makeup of the man: intellectually restless, always turning the thing over and over in his mind, more given to trying to imagine and grasp all the aspects of a problem than to measuring or indexing them. We can understand how this came to grief for Mr. Aspin in the Clinton administration. But you need only read the recently published confessional book by Mr. Aspin's predecessor and onetime employer, Robert McNamara, to understand, as well, that an opposite, superefficient turn of mind is not exactly the key to defense policy salvation. Maybe Les Aspin was the wrong man for his months in the Clinton Cabinet. The same cannot in any respect be said of his roughly three decades of productive public service.●

TRIBUTE TO DICK COMBS

● Mr. MCCONNELL. Mr. President, I rise today to mourn the death of a close friend, Mr. Dick Combs. Dick died last Wednesday from complications after heart surgery.

Over the years, he touched the lives of many people in northern Kentucky. Dick was a very special man, but one thing in particular made him one of a kind. It was his trademark green comb. Everytime he introduced himself to someone he would hand them a green pocket comb with his name on it. There's probably not a person in northern Kentucky that hasn't combed his or her hair with a comb from Dick. But this wasn't his only trademark, he was also seen nearly everyday driving around town in his 1968 red convertible Ford Mustang, smiling and waving to everyone he passed. And who could forget his old fishing hat, an item he would never leave the house without.

The World War II veteran was elected Kenton County commissioner in 1984, a victory that is in the record books and the subject of political trivia questions across the Bluegrass State. Dick was the first Republican in 75 years to win a seat on the fiscal court. He also served as a member of the Kenton County GOP executive committee, the Northern Kentucky Area Planning Commission, the Boone-Kenton Cable TV Board, and he was a founding member of the Northern Kentucky Salvation Army Advisory Board.

With all his political activities you would think that Dick wouldn't have time for anything else. But that wasn't the case, he always found time for his true loves: his family and his community.

He kept busy in the community by getting involved in the Fort Mitchell Kiwanis and Optimist clubs, the Northern Kentucky Chamber of Commerce, and the American Animal Association. His care and support for stray animals was even recognized by the animal rights community, who endorsed his candidacy. Dick would go out of his way to help his animal friends. He would even go as far as leaving his garage door open at night so any stray animal could have a safe haven from the elements.

Dick was also a deacon at Fort Mitchell Baptist Church for more than 35 years. There wasn't a Sunday that went by that Dick wasn't standing outside the church greeting every parishioner that walked through the doors. To some it may have seemed like a small gesture, but to churchgoers it wasn't a Sunday without seeing his smiling face. His absence at church last Sunday was felt by members young and old, including a young boy who cried when he didn't see Dick at the church's door.

Mr. President, I ask you to join me in extending my heartfelt sympathy and prayers to his family and to all those whose lives he touched. Dick, will be missed.●

THE 40TH ANNUAL DETAILED FINANCIAL REPORT OF SENATOR PAUL SIMON

● Mr. SIMON. Mr. President, it has been my practice in each of the 40 years I have spent in public life to volunteer a detailed accounting of my finances.

I ask that my financial report for 1994 be printed in the RECORD.

The financial report and related announcement follow:

ANNOUNCEMENT

For the 40th consecutive year that he has held public office, U.S. Senator Paul Simon, D–Ill., has released a detailed description of his income, assets and liabilities.

Simon has been making the voluntary annual statements longer than any other national officeholder. Simon set his policy when he left the newspaper publishing business he had established to enter public service during his eight years in the Illinois House of Representatives, six years in the Illinois Senate, four years as lieutenant governor, 10 years in the U.S. House of Representatives and now 10 years in the U.S. Senate. The listing predates disclosure requirements of state and federal law and continues to exceed those requirements. Senate rules today require only the listing of income within broad brackets. SIMON's practice also has set the standard for many officeholders in Illinois.

Simon also continues to exceed Senate requirements by listing detailed income for his wife, Jeanne.

The Illinois senator lists 1994 income for himself and Jeanne Simon totaling $206,287. The figure includes PAUL SIMON's Senate salary, Jeanne Simon's per diem compensation as chair of the National Commission on Library and Information Science, and reimbursements to Paul and Jeanne Simon for travel and other expenses.

The Simons had assets of $514,579.79 and liabilities of $124,667.44 for a net worth of $389,912.35. Earlier disclosures have shown SIMON to be one of the least wealthy members of the United States Senate.

The detailed 1994 financial report of Senator Paul Simon follows:

Income Statement of Paul and Jeanne Simon—1994

General income (Paul Simon):	
Salary, U.S. Senate	$133,870.00
State of Illinois, General Assembly System	21,632.64
Book Royalties	10,315.31
U.S. Senate, Expense Reimbursement	320.80
Paul Simon Official Office Account, Expense Reimbursement	209.55
Earnings, IRA	1,011.99
Dana College, Meal Refund	47.50
Blue Cross/Blue Shield, Insurance Reimbursement	546.84
Vermont Ties, Refund	12.00
Critic's Choice Video, Refund	4.99
Sale, 1983 Mustang	1,500.00
General income (Jeanne Simon):	
Salary, Emeritus Foundation	4,540.55
Social Security, (Entirely donated to charitable causes)	5,154.00
U.S. Department of Education, (National Commission on Libraries and Information Science	16,202.88
Distribution from IRA	800.00
Earnings, IRA	532.03
Simon for Senate, Expense Reimbursement	74.58
U.S. Government, Travel Expense Reimbursement	5,027.34
Nevada Library Association, Travel Expense Reimbursement	340.00
American Library Association, Travel Expense Reimbursement	264.00
American Library Association, Expense Reimbursement	103.00
Southwest Library Association, Expense Reimbursement	367.32

Paula Swift, Luncheon Reimbursement	15.00
Medicare, Reimbursement	91.72
Delta Kappa Gamma, Speech—Donated to Neval Thomas School	100.00
Medical Care, Reimbursement	35.00
Interest income:	
U.S. Senate Federal Credit Union	149.81
General American Life	206.85
Polich National Alliance of U.S.A.	43.73
South Shore Bank of Chicago	29.48
Dividends:	
Adams Express	644.14
General Mills	63.45
Union One	.53
Mattel Inc De	5.70
McDonalds Corp	3.00
Quaker Oats	6.52
Scott Paper Co.	6.40
Dreyfus Growth & Income Fund	121.31
Dreyfus Municipal Bond Fund, ($116.49, Reported—$1,220.21 Exempt)	1,336.69
Franklin Money Fund	209.72
Wal-Mart Stores	15.36
Pacific Gas & Electric	131.92
Pax World Fund	89.90
Texas Instruments	10.32
General Cinema Corp.	23.98
Harcourt General, Inc.	4.27
Scudder Service Corp.	48.92
Smith Barney Daily Dividend Funds Inc., Cash Portfolio	14.77
Smith Barney Money Funds Inc.	1.19
Total income	206,287.00

Paul and Jeanne Simon—Net worth statement, December 31, 1994

General assets:	
First Bank of Carbondale, Checking Account	$210.93
Credit Union, Rantoul	27.22
U.S. Senate Federal Credit Union, Checking Account	1,794.01
U.S. Senate Federal Credit Union, Savings Account	150.13
South Shore Bank of Chicago, Savings Account	1,082.41
Loan, Senator Paul Simon Official Office Account	100.00
U.S. Savings Bonds	1,838.00
Deposit, Harbour Square Apartments	50.00
General American Life Insurance, Cash Value and Deposit	10,099.51
Polish National Alliance Insurance, Cash Value and Deposit	3,751.58
Congressional Retirement System, Cash Value	88,104.78
Thrift Savings Plan	31,635.10
11.8 Acres & Home, Makanda, IL., (Appraised 1987 at $204,000)—Plus Improvements	235,350.00
Furniture and Presidential Autograph Collection	18,000.00
1991 Chevrolet	9,000.00
1995 GEO Prism	14,478.87
Stock and Bond holdings with number of shares:	
Cash and Smith Barney Money Fund, Inc.	1,773.26
Adams Express Co., Maryland 440 Shares	6,875.00
Bethlehem Steel, 5 Shares	90.00
Dreyfus Municipal Bond Fund, 1,650 Shares	19,189.50
Dreyfus Growth & Income, 246.804 Shares	3,857.55
Franklin Fund, 1,137.165 Shares	1,137.16
General Mills, Inc., 45 Shares	2,570.63
Harcourt General, Inc., 7 Shares	246.75
Intergroup, Inc., 25 Shares	662.50
Jet-Lite, 120 (Approximate)	300.00
Lands End Inc., 44 Shares	605.00
Liberte Inves., 100 Shares	175.00
Mattel, Inc., 25 Shares	628.13
McDonalds, 25 Shares	731.25
Pacific Gas & Electric, 268 Shares	6,532.50
Pax World Fund, 179.813 Shares	2,407.70
Quaker Oats Co., 8 Shares	246.00
Rohr Industries, Inc., 6 Shares	62.25
Scott Paper Co., 8 Shares	553.00
Scudder Growth & Income Fund, 68.246 Shares	1,110.30
Texas Instruments, 12 Shares	898.50
United M & M, Inc., 8 Shares	1.75
Wal-Mart Stores, Inc., 96 Shares	2,040.00
IRA—Paul	
Common Stock:	
Smith Barney Money Funds Inc. Government Portfolio	416.16
Smith Barney Utilities Fund	1,187.54
Adams Express Co. Maryland, 676	10,562.50
Lands End, 34	467.50
Mattel Inc. De., 88	2,211.00
Pacific Enterprises, 56	1,190.00
Pacific Gas & Electric, 40	975.00
Pepsico Inc-North Carolina, 32	1,160.00
Price Enterprises, 51	656.63
Quaker Oats Co., 284	8,733.00
Sara Lee Corp., 20	505.00
Servicemaster Ltd Partnership Pub Partnership Shs., 27	658.13
Southwest Water Co. De., 86	731.00
Southwestern Energy Co., 48	714.00
Tootsie Roll Industries, 22	1,353.00
Preferred Stock:	
McDonalds Corp Depository Shares, 18 Shares	438.75
Total	31,959.21
IRA—Jeanne	
Smith Barney Money Funds, Inc. Government Portfolio	137.75
Smith Barney Utilities Fund	848.43
Adams Express Co. Maryland, 657	10,265.63
Pacific Gas & Electric, 40	975.00
Pepsico Inc. North Carolina, 42	1,522.50
Sara Lee Corp., 20	505.00
Total	14,254.31
Total assets	514,579.79
Liabilities:	
Polish National Insurance, Loan	1,584.48
General American Insurance, Loan	3,021.15
LaSalle Talman Home Mortgage Corp.	117,515.06
U.S. Senate Federal Credit Union, Signature Loan	2,546.75
Total liabilities	124,667.44
Total assets	514,579.79
Total liabilities	124,667.44
Net worth	389,912.35

GIFTS, RECEIVED OF MORE THAN $25.00 VALUE, OUTSIDE IMMEDIATE FAMILY[1]

Book from ''B'' Rappaport—$25.00;

Bow ties from William H. Zarafonetis—Value under $250.00;

Charles Adams book from Senator Connie Mack—$29.95;

Book from the Commercial Club of Chicago—Value under 250.00;

Book, Sarajevo, from Warner Books—$29.95;

Wall Clock from Chicago Lighthouse for the Blind—Value under $250.00;

Fruit from Larry Goodman—Value under $250.00;

Hugo Black biography from Neil Bluhm and Wayne Whalen—Value under $250.00;

Food Items from RJR Nabisco—Value under $250.00;

Glass Art Object from Larry Goodman—Value under $250.00;

Food Samples from Quaker Oats and the National Food Processors Association—Value under $250.00;

Flowers from Phil Corboy and Mary Dempsey—Value under $250.00;

1836 Newspaper, The Sangamo Journal of Springfield from Stan Glass—Value under $250.00;

Book from the Embassy of Morocco—Value under $100.00;

Book on Indonesia from the Indonesian Forestry Community—Value under $100.00;

Table cloth from the President of Benin—Value under $100.00;

Artwork from the Foreign Minister of Vietnam—Value under $100.00;

Landscape painting from the Government of Mongolia (Waiver granted, see attached letter from U.S. Senate Select Committee on Ethics.)—$175.00.

[1] The law requires disclosure only of gifts of $250.00 and over. Paul Simon's statement includes all nonfamily gifts of more than $25.00, whatever the source.

The law prohibits members of the Senate from accepting gifts of more than $100 from foreign governments or officials.

U.S. SENATE,
SELECT COMMITTEE ON ETHICS,
Washington, DC, March 6, 1995.

Hon. PAUL SIMON,
U.S. Senate,
Washington, DC.

DEAR SENATOR SIMON: This is in response to a report which you filed with this Committee concerning your receipt of a landscape painting valued at $150–$175, from the Government of Mongolia.

In your report you request that the Select Committee, as the designated agency for

Members, officers, and employees of the Senate for purposes of the Foreign Gifts and Decorations Act, approve the deposit of the gift with the Secretary of the Senate for official use, as provided by Section 7342(c)(2)(B) of the Act. It is our understanding that the painting will be displayed in your office during the period of official use.

The Committee approves your request that the gift be deposited with the Secretary of the Senate for official use, and further approves your request that the official use of this gift shall be its display and use in your Senate office. Because this gift remains the property of the United States, you must advise this Committee and the office of the Secretary of the Senate of any proposed change in the use or location of the gift.

The Foreign Gifts and Decorations Act requires that the painting be returned to the Secretary of the Senate within thirty days after terminating the approved ''official use''. The Act also requires that the ''official use'' will be deemed to have been terminated upon your leaving the Senate, or upon the use of the gift for a purpose other than that specifically approved by this Committee.

Sincerely,

VICTOR BAIRD,
Staff Director and Chief Counsel.●

MORGAN VILLAGE MIDDLE SCHOOL STUDENTS VISIT TO WASHINGTON, D.C.

● Mr. LAUTENBERG, Mr. President, on Friday, May 19, 1995, a group of students from Camden, NJ, visited Washington, DC, to learn about their Government in our Nation's capital. Approximately 100 of my constituents, from Morgan Village Middle School, traveled from my home State of New Jersey and met with representatives from my office and other agencies. Unfortunately, only half of this group was able to visit the U.S. Senate gallery to personally witness a historic vote and observe the procedures of the Senate.

I regret that I was unable to meet with these future leaders myself, and I very much regret some of them could not get into the Senate gallery. I encourage all of them to continue pursuing their interest in government and politics, for their involvement will determine the future of our country. I am gratified to know that young people are learning about the important issues facing our country and the world today. They should be commended for their concern about the impact today's legislation will have on the future. We must all recognize that the views and concerns of our youth are of the utmost importance, and I hope they will continue to share them with their elected representatives as they grow older.●

IN HONOR OF RICHARD S. LUM, RETIRING PROFESSOR OF MUSIC, EMERITUS, AT THE UNIVERSITY OF HAWAII

● Mr. AKAKA. Mr. President, it is a pleasure and a privilege for me to rise today on the floor of the Senate to honor my dear friend and college classmate, Prof. Richard ''Dick'' S. Lum, on his retirement from the University of Hawaii after a lifetime of dedicated service to the students and people of Hawaii. He retires after a distinguished 25-year tenure as director of bands at the university and professor of music, emeritus.

Professor Lum's contribution to concert and band music has brought him many well-deserved accolades and honors. In the span of his long musical career, he has earned and garnered more awards and has been recognized by more organizations than any other person I can think of. Mahalo, Dick, for your complete commitment to music.

Professor Lum has been rightfully credited for building our State's concert and marching bands into nationally recognized organizations. He laid the foundation for the McKinley High School Band to gain national prominence and is the person primarily responsible for the growth of band programs in Hawaii. His vision, hard work, and grooming of young band directors made possible the tremendous growth of the many fine programs that exist today.

Dick served as president of the Hawaii Music Educators Association and is the founder and past president of the Oahu Band Directors Association. He was also State chairman of the College Band Directors National Association and the National Band Association. He has guest conducted the United States of America Armed Services Bicentennial Band from Ft. Meade, MD, the University of Tennessee Band, the Arizona State University Band, and other outstanding university bands. In 1971, Richard was invited to membership in the American Bandmasters Association, and in 1973, was inducted into the prestigious Phi Beta Mu as honorary national member. In 1978, he was selected by the School Musician Magazine as one of the outstanding conductors in the United States and Canada for the school year 1974–75. In 1979, he was selected by the All-American magazine as Band Director of the Year.

Mr. President, I ask my colleagues to join me, his family, friends, and peers in honoring Prof. Richard S. Lum for this outstanding contribution to music in our State and country. Mahalo, Dick, for everything you have done for music in your lifetime, and your excellence in service. Thank you for a job well-done and may God's blessing be with you and your family.●

RELIGION IN SCHOOLS

● Mr. SIMON. Mr. President, on May 17 the Christian Coalition announced its ''Contract With the American Family,'' a cornerstone of which is a constitutional amendment to allow ''communal prayer in public places, such as schools, high school graduation ceremonies, and courthouses.''

The coalition's ''communal prayer'' proposal will surely provide the basis for some spirited debate in Congress in the upcoming months. Before this debate begins, however, I think it is crucial for people on both sides of these issues to understand fully the current state of the law regarding prayer in schools and other public places. Only by understanding what is and is not allowed under current Supreme Court cases involving the Constitution's religion clauses and under other laws regarding religion can we intelligently determine whether the proposed changes to these laws make sense.

In the hopes of beginning this educational process, I will ask to have printed in the RECORD a short report entitled ''Religion in the Public Schools: A Joint Statement of Current Law.'' This publication, prepared with the endorsements of 35 organizations, sets forth in a detailed and clear way the state of the law regarding numerous religion/school issues: from the question of what types of student prayer are constitutionally protected, to the question of whether students may be exempted from wearing particular types of gym clothing that they regard, on religious grounds, as immodest.

As the preface to this report states: ''On some of the issues discussed in this summary, some of the organizations, have urged the courts to reach positions different than they did.'' However, the 35 organizations that have issued this report agree that the statements on the law included in the report provide an accurate overview of the law regarding religion in schools. Given this agreement, the report provides a valuable service to those of us striving to understand these important and highly charged issues.

At the outset of the debate, I have heard a lot about how our courts have kept and continue to keep religion out of our schools. It is my hope that this report will help demonstrate that the relationship between religion and education is in fact a far more complex one that cannot be described in absolute terms. Religion and education coexist today in a delicate balance, and if we choose to disrupt this balance, we should understand exactly what we are doing. This report is an important step in the direction of understanding, and I urge each of my colleagues to devote some time to it in the upcoming weeks.

I ask that the report be printed in the RECORD.

The report follows:

RELIGION IN THE PUBLIC SCHOOLS: A JOINT STATEMENT OF CURRENT LAW, APRIL 1995

The Constitution permits much private religious activity in and about the public schools. Unfortunately, this aspect of constitutional law is not as well known as it should be. Some say that the Supreme Court has declared the public schools ''religion-free zones'' or that the law is so murky that school officials cannot know what is legally permissible. The former claim is simply wrong. And as to the latter, while there are some difficult issues, much has been settled. It is also unfortunately true that public school officials, due to their busy schedules, may not be as fully aware of this body of law as they could be. As a result, in some school districts some of these rights are not being observed.

The organizations whose names appear below span the ideological, religious and political spectrum. They nevertheless share a commitment both to the freedom of religious practice and to the separation of church and state such freedom requires. In that spirit, we offer this statement of consensus on current law as an aid to parents, educators and students.

Many of the organizations listed below are actively involved in litigation about religion in the schools. On some of the issues discussed in this summary, some of the organizations have urged the courts to reach positions different than they did. Though there are signatories on both sides which have and will press for different constitutional treatments of some of the topics discussed below, they all agree that the following is an accurate statement of what the law currently is.

STUDENT PRAYERS

1. Students have the right to pray individually or in groups or to discuss their religious views with their peers so long as they are not disruptive. Because the Establishment Clause does not apply to purely private speech, students enjoy the right to read their bibles or other scriptures, say grace before meals, pray before tests, and discuss religion with other willing student listeners. In the classroom students have the right to pray quietly except when required to be actively engaged in school activities (e.g., students may not decide to pray just as a teacher calls on them). In informal settings, such as the cafeteria or in the halls, students may pray either audibly or silently, subject to the same rules of order as apply to other speech in these locations. However, the right to engage in voluntary prayer does not include, for example, the right to have a captive audience listen or to compel other students to participate.

GRADUATION PRAYER AND BACCALAUREATES

2. School officials may not mandate or organize prayer at graduation, nor may they organize a religious baccalaureate ceremony. If the school generally rents out its facilities to private groups, it must rent them out on the same terms, and on a first-come first-served basis, to organizers of privately sponsored religious baccalaureate services, provided that the school does not extend preferential treatment to the baccalaureate ceremony and the school disclaims official endorsement of the program.

3. The courts have reached conflicting conclusions under the federal Constitution on student-initiated prayer at graduation. Until the issue is authoritively resolved, schools should ask their lawyers what rules apply in their area.

OFFICIAL PARTICIPATION OR ENCOURAGEMENT OF RELIGIOUS ACTIVITY

4. Teachers and school administrators, when acting in those capacities, are representatives of the state, and, in those capacities, are themselves prohibited from encouraging or soliciting student religious or anti-religious activity. Similarly, when acting in their official capacities, teachers may not engage in religious activities with their students. However, teachers may engage in private religious activity in faculty lounges.

TEACHING ABOUT RELIGION

5. Students may be taught about religion, but public schools may not teach religion. As the U.S. Supreme Court has repeatedly said, ''[i]t might well be said that one's education is not complete without a study of comparative religion, or the history of religion and its relationship to the advancement of civilization.'' It would be difficult to teach art, music, literature and most social studies without considering religious influences.

The history of religion, comparative religion, the Bible (or other scripture)-as-literature (either as a separate course or within some other existing course), are all permissible public school subjects. It is both permissible and desirable to teach objectively about the role of religion in the history of the United States and other countries. One can teach that the Pilgrims came to this country with a particular religious vision, that Catholics and others have been subject to persecution or that many of those participating in the abolitionist, women's suffrage and civil rights movements had religious motivations.

6. These same rules apply to the recurring controversy surrounding theories of evolution. Schools may teach about explanations of life on earth, including religious ones (such as ''creationism''), in comparative religion or social studies classes. In science class, however, they may present only genuinely scientific critiques of, or evidence for, any explanation of life on earth, but not religious critiques (beliefs unverifiable by scientific methodology). Schools may not refuse to teach evolutionary theory in order to avoid giving offense to religion nor may they circumvent these rules by labeling as science an article of religious faith. Public schools must not teach as scientific fact or theory any religious doctrine, including ''creationism,'' although any genuinely scientific evidence for or against any explanation of life may be taught. Just as they may neither advance nor inhibit any religious doctrine, teachers should not ridicule, for example, a student's religious explanation for life on earth.

STUDENT ASSIGNMENTS AND RELIGION

7. Students may express their religious beliefs in the form of reports, homework and artwork, and such expressions are constitutionally protected. Teachers may not reject or correct such submissions simply because they include a religious symbol or address religious themes. Likewise, teachers may not require students to modify, include or excise religious views in their assignments, if germane. These assignments should be judged by ordinary academic standards of substance, relevance, appearance and grammar.

8. Somewhat more problematic from a legal point of view are other public expressions of religious views in the classroom. Unfortunately for school officials, there are traps on either side of this issue, and it is possible that litigation will result no matter what course is taken. It is easier to describe the settled cases than to state clear rules of law. Schools must carefully steer between the claims of student speakers who assert a right to express themselves on religious subjects and the asserted rights of student listeners to be free of unwelcome religious persuasion in a public school classroom.

a. Religious or anti-religious remarks made in the ordinary course of classroom discussion or student presentations are permissible and constitute a protected right. If in a sex education class a student remarks that abortion should be illegal because God has prohibited it, a teacher should not silence the remark, ridicule it, rule it out of bounds or endorse it, any more than a teacher may silence a student's religiously-based comment in favor of choice.

b. If a class assignment calls for an oral presentation on a subject of the student's choosing, and, for example, the student responds by conducting a religious service, the school has the right—as well as the duty—to prevent itself from being used as a church. Other students are not voluntarily in attendance and cannot be forced to become an unwilling congregation.

c. Teachers may rule out-of-order religious remarks that are irrelevant to the subject at hand. In a discussion of Hamlet's sanity, for example, a student may not interject views on creationism.

DISTRIBUTION OF RELIGIOUS LITERATURE

9. Students have the right to distribute religious literature to their schoolmates, subject to those reasonable time, place, and manner or other constitutionally-acceptable restrictions imposed on the distribution of all non-school literature. Thus, a school may confine distribution of all literature to a particular table at particular times. It may not single out religious literature for burdensome regulation.

10. Outsiders may not be given access to the classroom to distribute religious or anti-religious literature. No court has yet considered whether, if all other community groups are permitted to distribute literature in common areas of public schools, religious groups must be allowed to do so on equal terms subject to reasonable time, place and manner restrictions.

''SEE YOU AT THE POLE''

11. Student participation in before- or after-school events, such as ''see you at the pole,'' is permissible. School officials, acting in an official capacity, may neither discourage nor encourage participation in such an event.

RELIGIOUS PERSUASION VERSUS RELIGIOUS HARASSMENT

12. Students have the right to speak to, and attempt to persuade, their peers about religious topics just as they do with regard to political topics. But school officials should intercede to stop student religious speech if it turns into religious harassment aimed at a student or a small group of students. While it is constitutionally permissible for a student to approach another and issue an invitation to attend church, repeated invitations in the face of a request to stop constitute harassment. Where this line is to be drawn in particular cases will depend on the age of the students and other circumstances.

EQUAL ACCESS ACT

13. Student religious clubs in secondary schools must be permitted to meet and to have equal access to campus media to announce their meetings, if a school receives federal funds and permits any student non-curricular club to meet during non-instructional time. This is the command of the Equal Access Act. A non-curricular club is any club not related directly to a subject taught or soon-to-be taught in the school. Although schools have the right to ban all non-curriculum clubs, they may not dodge the law's requirement by the expedient of declaring all clubs curriculum-related. On the other hand, teachers may not actively participate in club activities and ''non-school persons'' may not control or regularly attend club meeting.

The Act's constitutionality has been upheld by the Supreme Court, rejecting claims that the Act violates the Establishment Clause. The Act's requirements are described in more detail in *The Equal Access Act and the Public Schools: Questions and Answers on the Equal Access Act**, a pamphlet published by a broad spectrum of religious and civil liberties groups.

RELIGIOUS HOLIDAYS

14. Generally, public schools may teach about religious holidays, and may celebrate the secular aspects of the holiday and objectively teach about their religious aspects. They may not observe the holidays as religious events. Schools should generally excuse students who do not wish to participate in holiday events. Those interested in further details should see *Religious Holidays in*

*the Public Schools: Questions and Answers**, a pamphlet published by a broad spectrum of religious and civil liberties groups.

EXCUSAL FROM RELIGIOUSLY-OBJECTIONABLE LESSONS

15.Schools enjoy substantial discretion to excuse individual students from lessons which are objectionable to that student or to his or her parent on the basis of religion. Schools can exercise that authority in ways which would defuse many conflicts over curriculum content. If it is proved that particular lessons substantially burden a student's free exercise of religion and if the school cannot prove a compelling interest in requiring attendance the school would be legally required to excuse the student.

TEACHING VALUES

16. Schools may teach civic virtues, including honesty, good citizenship, sportsmanship, courage, respect for the rights and freedoms of others, respect for persons and their property, civility, the dual virtues of moral conviction and tolerance and hard work. Subject to whatever rights of excusal exist (see ¶15 above) under the federal Constitution and state law, schools may teach sexual abstinence and contraception; whether and how schools teach these sensitive subjects is a matter of educational policy. However, these may not be taught as religious tenets. The mere fact that most, if not all, religions also teach these values does not make it unlawful to teach them.

STUDENT GARB

17. Religious messages on T-shirts and the like may not be singled out for suppression. Students may wear religious attire, such as yarmulkes and head scarves, and they may not be forced to wear gym clothes that they regard, on religious grounds, as immodest.

RELEASED TIME

18. Schools have the discretion to dismiss students to off-premises religious instruction, provided that schools do not encourage or discourage participation or penalize those who do not attend. Schools may not allow religious instruction by outsiders on premises during the school day.●

INDIVIDUAL RIGHTS AND DOMESTIC TERRORISM

● Mr. DORGAN. Mr. President, the tragedy that took place on April 19 at the Federal building in Oklahoma City was an unspeakable horror. This was a cowardly and heinous act by deranged people whose obsessions led to the killing of innocent men, women, and children. I want the people who perpetrated this act to be hunted down and to be appropriately, quickly, and harshly dealt with by our criminal justice system.

The tragic bombing at Oklahoma City has sparked a debate in our country about how to prevent a tragedy of this type from occurring again. It is important to understand that in a free country it is virtually impossible to provide any ironclad protection against the violent acts of deranged people. But part of being free is the requirement to ensure civil order. That is the job that we ask our law enforcement officials to do.

The question we must now ask ourselves is how can we protect Americans without infringing on the liberties guaranteed by the Constitution. People have a constitutional right to criticize their government and the institutions of this Nation. This right not only applies to people we like—our neighbors and our friends—it also applies to people we do not like and associations we do not care for. This right must be preserved.

The Oklahoma City bombing has also sparked a debate about militia groups in our country. People have every right to join organizations. However, I have heard some militia leaders say the Federal Government is their avowed enemy when they have been interviewed on television programs. Some of them talk in terms of violence and battles. I think that is an unhealthy attitude and I think that thinking can lead to violence.

I want to emphasize my commitment to preserving the fundamental freedoms that are guaranteed to all Americans under our Constitution. But I also want to emphasize that I join those in our country who want to send a message to the people who cross the line between criticizing our government and advocating or resorting to violence or terrorism. There is no constitutional right to commit violence in our country. There is no constitutional right to kill innocent men, women, and children. And those who do should be dealt with aggressively by our law enforcement agencies.

It is important that we discuss these issues in a thoughtful, reasonable, and constructive way. In America, we can disagree without being disagreeable. We can have a debate without shouting. And we can work together to fix things that are wrong in this country and to make this a better place. Most importantly, we should protect and cherish our constitutional rights. One of those rights is to live in a free country—free from the unspeakable horrors that were perpetrated on innocent people in Oklahoma City.●

IN HONOR OF ABBA EBAN

● Mr. LAUTENBERG. Mr. President, I rise this morning to honor a great statesman on the occasion of his 80th birthday.

Abba Eban—statesman, diplomat, scholar, and author—was born in South Africa on February 2, 1915. As a young man growing up in London, Mr. Eban learned fluent Hebrew and became an active member of the Zionist movement.

He studied at Cambridge University, and became a lecturer in Hebrew, Arabic, and Persian literature.

Mr. Eban served in World War II, where he was assigned to Jerusalem as liaison officer of Allied Headquarters. After the war, he entered the service of the Jewish agency in Jerusalem. In 1947, he became the agency's liaison officer with the U.N. Special Commission on Palestine.

In 1948, Mr. Eban was appointed as Israel's representative to the United Nations and in this capacity, he appeared before the General Assembly to plead successfully for his country's admission to the United Nations.

In 1950, Abba Eban was appointed Israel's Ambassador to the United States. At 35, he was the youngest person to hold such a high rank in Washington's diplomatic corps.

In 1959, after returning to Israel, Mr. Eban was elected to the Israeli Knesset as a member of the Labor Party. He joined the Cabinet as Minister Without Portfolio, was appointed Minister of Education and Culture in 1960, and in 1963, he became Deputy Prime Minister under Prime Minister Levi Eshkol.

In 1966, Mr. Eban became Israel's Minister for Foreign Affairs, a position he held until June 1974.

Through the years, Mr. Eban has been recognized in numerous arenas for his diplomatic prowess and his contributions to the state of Israel. He holds honorary doctorates from several universities, including New York University, Boston University, the University of Maryland, and the University of Cincinnati. He is a fellow of the World Academy of Arts and Sciences, and the only living member of the Orator's Hall of Fame.

Mr. Eban recently served as host and narrator of ''Israel: A Nation is Born,'' a five-part historical television miniseries, documenting 40 years of Israel's history.

Mr. President, the Israeli people have been fortunate to count Mr. Eban among their leaders. He has consistently represented the Jewish state with dignity, with strength and with aplomb. As he celebrates this birthday, we should all take this opportunity to celebrate his many accomplishments.●

HYDROGEN—AN ENERGY SOURCE FOR THE FUTURE

● Mr. HARKIN. Mr. President, I have long advocated greater investment in the development of sustainable hydrogen energy. Hydrogen has a tremendous potential to be the energy carrier of the future. It is an ideal energy source as it is plentiful, efficient and clean burning. An excellent article describing the many advantages of hydrogen as an energy source appeared in the March 19, 1995 edition of the Los Angeles Times Magazine. I urge all of my colleagues to read this article and I ask that the text of the article be printed in the RECORD.

The article follows:

[From the Los Angeles Times Magazine, March 3, 1995]

HARNESSING THE BIG H

HYDROGEN SEEMS THE IDEAL ENERGY SOURCE—PLENTIFUL, EFFICIENT AND CLEAN. CAN SOMETHING THIS PERFECT BE REAL? JUST ASK THE JAPANESE

(By Alan Weisman)

West of Denver, Interstate 70 enters Golden, Colo., and begins to curl through the foothills of the Rockies. There is bisects an unassuming clump of brick buildings—the National Renewable Energy Laboratory.

Among the government's national laboratories, NREL is modest, operating on a fraction of the billions commanded by atomic research giants like Sandia, Los Alamos and Lawrence Livermore. Inside, there are no monstrous particle accelerators; experiments here are more likely to proceed in test-tube racks, bell jars and small glass beakers, like the one John Turner is filling with a clear solution of water and household lye.

Turner, a chemist with a graying blond beard and gold-rimmed glasses, sticks a narrow glass slide, coated on one end with a black, mica-like substance, into the lye solution. The humming lab ventilators mask the sound of the vehicles whizzing by on the nearby interstate, but Turner has spent most of his career here, and during those years he's always had the cars in mind. As he aims a pencil-thin beam from a high-intensity lamp at the flask, he puts it this way: ''Suppose someone announced he intended to ship millions of gallons of a carcinogenic, explosive fluid that emits toxic fumes through our downtown and then store it underground in our neighborhoods. People would rise up in anger, right?''

Wrong. Just outside on I–70, cars are spraying residues of that very poison all over the mountains. After 11 decades of tinkering, their internal combustion engines are miracles of technology with hundreds of moving parts. Yet various laws of physics still limit their ability to extract energy from petroleum. Nearly three-fourths of its potential simply radiates away or pours, partly combusted, out the tailpipe, rising in geologic layers of brown murk until the Rockies themselves dwindle to ghostly smudges.

John Turner is among a cadre of scientists trying to suppress what he regards as humanity's most pervasive, and self-inflicted, epidemic. In a little more than a century, since Thomas Alva Edison invented the light bulb and Henry Ford began to mass-produce automobiles, man-made energy has become the most addictive drug in history. Everybody today was born into the this dependency: No one any longer can imagine life without electricity or motorized vehicles. To slake our craving, we must dose ourselves and our surroundings daily with deadly filth. This ritual is now doomed to spread, as China, India and other developing nations bestow family cars and refrigerators upon 2 billion new recruits to the industrial age.

Getting an entire world to kick a habit is futile, so Turner is trying to at least find us a clean needle. As the beam strikes the shiny black square centimeter of semiconductor glued to the submerged portion of his slide, the surrounding liquid begins to fizz. Electrons stimulated by light, he explains, are rushing to the semiconductor's surface, hitting water molecules and splitting them into their component parts: oxygen and hydrogen.

He watches the tiny bubbles rise. ''For years,'' he says, ''this has been the Holy Grail of photoelectric chemists. We're witnessing the direct conversion of solar energy into hydrogen.''

Cape Canaveral, June, 1994: A group of visiting scientists and engineers is touring the John F. Kennedy Space Center in blue-and-white air-conditioned buses. They're here for the World Hydrogen Energy Conference, a biennial event born of the energy crisis 20 years earlier. Although the price of petroleum has since calmed considerably (adjusted for inflation, it's actually cheaper than pre-1973), a groundswell of concern, coupled with numerous breakthroughs, has ballooned this gathering to nearly 600 researchers from 34 countries. They've come to Canaveral this year for inspiration: The huge tank on the pad, where the shuttle Columbia will presently lift spaceward, is filled with pure hydrogen.

Since even before the moon shots, all U.S. astronauts' heat, electricity and drinking water have been derived from hydrogen. The U.S. space program is the first step toward realizing these scientists' dream: to switch the planet from an economy fueled with dirty coal and petroleum to one run on clean hydrogen.

The idea of something so ubiquitous—hydrogen is the most abundant element composing three-fourths of the mass of the universe—replacing diminishing fossil fuels seems the stuff of fiction. Once, in fact, it was: In 1870, Jules Verne's ''Mysterious Island'' described a world that would one day derive ''an inexhaustible source of heat and light'' from water's component parts.

Back then, Verne didn't realize that this source was also virtually pollution-free. The cycle is so elegant it seems nearly miraculous: Separate water into its two constituent gases, hydrogen and oxygen. Burn the hydrogen for fuel, and it re-couples with oxygen to form water again. No nasty particulates, no insidious carbon monoxide, no eye-stinging ozone or sulfur dioxide (at high temperatures, however, small, controllable amounts of nitrous oxides can form when hydrogen is burned in the presence of air). Mainly, though, hydrogen's exhaust is plain water vapor—which can then be recaptured and neatly converted again to hydrogen.

According to Bill Hoagland, founder of NREL's hydrogen program, it would take less than a gallon of water to get the same range from hydrogen that cars currently get from a gallon of gasoline. Because hydrogen can be made anywhere. I'm told repeatedly, there would be no more dependency on imported oil. No more OPEC. Maybe no more global warming, either, because it emits no greenhouse gases. As for hydrogen's unfortunate association with bombs and blimps, like the ill-fated Hindenburg, Hoagland reminds me that fossil fuels also readily explode, and studies rate hydrogen safer because it's nontoxic and dissipates quickly.

It seems like the perfect fuel. Yet, these scientists insist, it's been under-researched, under-funded and virtually ignored in Detroit, which perseveres in its allegiance to petroleum, and in Washington, which persists in keeping troops ready to defend the Persian Gulf.

So why aren't we leaping at this chance to end pollution, energy wars and economic bondage to a few privileged locations that float atop the earth's ebbing supplies of oil? Much of it comes down to money and the seemingly incontestable reign of the petroleum industry. Unlike natural gas, to which hydrogen is often compared, you can't dig a hole and find it. To tap hydrogen's energy, you have to expend energy because it's always combined with something else. Having to un-combine it makes it more expensive, at least in the near term, than crude petroleum products, including natural gas. And no alternative-energy constituency has the clout to buck powerful fossil-fuel lobbies and find a way to pay for retrofitting the world for a brand-new technology.

Currently, the U.S. Department of Energy allots hydrogen about one-ninetieth of what it spends on continuing petroleum research. (And two-thirds of the DOE's budget doesn't go for energy at all, but for nuclear weapons research and cleanup.) Nor has the public thus far demonstrated much interest in trading the ease of dirty energy, available at the turn of an ignition key or click of a light switch, for a major commitment to something cleaner and renewable.

Yet the learned crowd gathered at the World Hydrogen Conference is convinced that hydrogen's time must come. Fossil fuels will become expensive again; even today, their true price isn't revealed at the gas pump, where the numbers don't include the cost of pollution and the expense of protecting our interests in the Persian Gulf.

Other countries are less reluctant about hydrogen than the United States. Two years ago, Japan, an island nation frightened by the prospect of rising seas if the icecaps start to melt, unveiled a multibillion-dollar, 28-year program to form a global hydrogen system. The Japanese are talking power plants, cars, buses, planes, ships and rockets, all over the world, all fueled with renewable hydrogen.

And there's a recent surprise announcement by Daimler-Benz, the parent company of Mercedes-Benz, that has excited many people here: The German auto maker claims it has cleared the major obstacles to producing the first commercially viable hydrogen-powered automobile. Unless Mercedes is just trying to spook the competition, hydrogen's prospects have suddenly improved faster than anyone dared hope. The Mercedes in question runs on a fuel cell, a refillable device that, like a battery, chemically converts fuel directly to electricity without having to burn it. Fuel cells can function on methanol or natural gas, but with hydrogen, they're up to three times more efficient than conventional engines.

The most advanced models, including the one Daimler-Benz uses, come from the Vancouver-based Ballard Power Systems Inc., which designed fuel cells for the Canadian defense department, using technology NASA developed for the Gemini mission and then shelved. Originally large, boxy affairs of stackable metal plates separated by membranes resembling plastic wrap, Ballard's fuel cells are now small enough to fit inside a minivan chassis. ''when we start producing them in volume,'' says Ballard co-founder Keith Prater, a former University of Texas chemist, ''the price will shrink, too.''

Surrounded by conference booths promoting the latest in photovoltaics, fuel cells and electrolyzers—devices that separate water into oxygen and hydrogen—I asked Princeton physicist Joan M. Ogden if the United States is letting the future slip away to foreign competitors. She tells me of a recent, unreleased General Motors study admitting that non-polluting fuel cells could be mass-produced for the same cost as a conventional engine. ''Actually, they should cost less, because they have no moving parts,'' she says. ''They'll also last longer and be cheaper to maintain.'' But while Mercedes, BMW and Mazda race to bring a hydrogen car to market, U.S. auto makers, by comparison, don't seem very interested.

A few years ago, Ogden quit Princeton's glamorous fusion energy program to engage in relatively impoverished research in renewable hydrogen. ''Fusion will take decades,'' she told aghast colleagues. ''I want results in my lifetime.'' Soon after, she co-authored a book that proposed making hydrogen by splitting water with electricity from solar photovoltaic (PV) cells. (In this process, as electricity made from sunlight passes through a pair of electrodes immersed in water, hydrogen bubbles collect around one pole and oxygen around another.) Although PV is still expensive, Ogden argued that mass production and technological improvements would lower costs until they intersect with rising oil prices.

The book has been alternately praised and scorned, the latter because of a map showing how much of the United States would have to be covered by photovoltaic cells to produce sufficient hydrogen to meet the total U.S. annual energy needs. The area is

denoted by a circle that reaches from Albuquerque nearly to the Mexican border. Critics who derisively try to guess the value of all that real estate miss the point, she insists. No one ever suggested putting all the PV in the same place.

''Obviously, deserts are ideal, because they get the most sun, and minimal rainfall is enough to make plenty of hydrogen. But I did a little calculation once. Let's say 2,000 people who work at Princeton drive there every day. If I wanted to run their cars on hydrogen, how much roof space would I need to cover with PV to make enough hydrogen fuel for them? I figured that by putting panels on fewer than half the university rooftops, even with New Jersey's humble sunshine levels, we could convert all those cars to hydrogen. Think if we did that all over the country.''

That same afternoon, Peter Lehman, an environmental engineer from Humboldt State University in Northern California, tells me what it would take to do the same for the 9 million cars in the Los Angeles Basin: ''An area about 340 square miles. About two-thirds the size, say, of Edwards Air Force Base.''

Cover Edwards Air Force Base with shiny photovoltaic panels?

''Sure. It would mean a fairly dramatic reorientation of priorities, and a huge expenditure, probably like building the interstate highway system. That took $100 billion and 34 years. But we did it because as a society we decided it was important. Wouldn't you think that eliminating all smog might be important?''

All week, people here have been repeating a mantra of massive American investments in the future that paid off, like the Marshall Plan, the interstate highway system and—especially during a pilgrimage to the old Apollo launching pad—President Kennedy's decision to put men on the moon. Although these ventures involved enormous expense, they were embraced by the public because of visionary, daring leadership, but they also coincided, rather than conflicted, with powerful interests. A commitment to transform America's energy infrastructure to accommodate clean hydrogen would, I suspect, evoke awesome resistance from the petroleum and auto industries. And decisions these days seem dictated more by the global marketplace than by the foresight of leaders.

Yet the one vision these scientists from Argentina, Egypt, Russia, Germany and Japan tell me may save civilization from choking on its own exhaust emanates from California. They refer specifically, and reverently, to mandates by the California Air Resources Board and the South Coast Air Quality Management District, which require that zero-emission vehicles (ZEVs) constitute 2% of all cars sold in the state by 1998 and 10% by 2003.

The allure of these requirements is the fact that, with one out of 18 Americans living in the L.A. Basin alone, whoever can first manufacture a viable car that meets this standard will get rich. Everybody assures me that batteries aren't going to do it; the acceleration is rotten, the range is too short, and they must be recharged by plugging into dirty power plants that only shift the pollution elsewhere. The assumption here is that the only way to build a real ZEV is by using a hydrogen fuel cell, and California's regulations will help force that technology into existence. The air quality district's chief scientist, Alan Lloyd, who's speaking at the conference, agrees.

Lloyd's problem though, is that he is not exactly considered a prophet in his own land. Rather than instilling native pride, California's world champion air-quality laws, which some believe have wrecked the state's economy, have barely survived legislative plots to scuttle them.

And despite the vaunted environmental pedigree of Vice President Al Gore, the Clinton Administration hasn't been much help either. While a few projects like experimental wind farms have been encouraged, federal efforts have focused more on improving energy efficiency than on developing clean new sources. Most frustrating to Alan Lloyd is a multimillion-dollar Administration program called PNGV: The Partnership for a New Generation of Vehicles, whose goal is to deliver a prototype car that gets triple today's expected gas mileage—about 80 miles per gallon—by the year 2004. ''Which means that after 10 years, they'll develop a vehicle that will be illegal in California because it's too dirty,'' he says, gazing heavenward. ''That's unacceptable. A new-generation vehicle should be fuel-efficient and clean. Leadership should come from the White House, but their agenda is being driven more from Detroit.''

Other energy advocates claim the technology for an 80-m.g.g. vehicle already exists, but the Administration has simply caved in to the Big Three auto makers and the oil industry. But since I haven't seen filling stations dispensing hydrogen on American street corners, I ask Lloyd if a fuel-cell vehicle designed to run on the stuff is really practical.

In the interim, there are lots of ways to make hydrogen besides solar energy, Lloyd explains. Using steam, it can be derived from natural gas or even mixed with it—known as town gas, that was what America once burned for light and cooking. Hydrogen improves the potency and lowers the emissions of natural gas, and with some modification it might even be shipped through natural gas pipelines. As for a dearth of service stations: a similar alarm was once sounded by buggy-whip manufacturers.

The real obstacle, Lloyd says, is America's current lust to pawn the future for the sake of profits today. ''While Detroit hires 100 attorneys to defeat every new emissions standard we establish, Japan assigns 1,000 engineers to meet the challenge.''

Maintaining energy's status quo might make some sense, or at least some money, for purveyors of petroleum and internal-combustion engines. But the conference's keynote speaker assures us that the decision won't really be theirs. University of Colorado physicist emeritus Albert A. Bartlett says he knows little about hydrogen but something about basic arithmetic. He's particularly drawn to calculating the time it takes for things to double. This is pertinent, he says, to consumption of fossil fuels, because it allows the petroleum and coal industries to deceive the world about how long those resources will actually last.

To illustrate what he means, he proposes that we imagine a species of bacteria that reproduces by dividing in two. Those two become four, the four become eight, and so forth. ''Let's say we place one bacterium in a bottle at 11 a.m., and at noon we observe the bottle to be full. At what point was it half full?'' The answer, it turns out, is 11:59 a.m.

''Now, if you were a bacterium in that bottle, at what point would you realize you were running out of space? At 11:55 a.m., when the bottle is only one-thirty-seconds full, and 97% is open space, yearning for development?''

Everyone giggles. ''Now suppose, with a minute to spare, the bacteria discover three new bottles to inhabit. They sigh with relief: They have three times more bottles than had ever been known, quadrupling their space resources. Surely this makes them self-sufficient in space. Right?''

Except, of course, it doesn't. Bartlett's point is that in exactly two more minutes, all four bottles will be full. Likewise, when President Jimmy Carter noted that in each of three previous decades the world had burned more fuel than had been consumed previously in all of history, it meant that fuel consumption was doubling every decade. That rate slowed temporarily with the energy crisis, but now, with world population rising and today's breakneck industrialization in the Third World, the exponential gobbling of limited resources is again accelerating.

''It's seriously misleading when we hear, for example, that at current levels of output and recovery coal reserves can be expected to last 500 years. We get the mistaken impression that there's 500 years' worth of coal left, forgetting that the sentence began with 'at current levels.' That's 500 years, only if there's no growth of production.''

And petroleum? ''In 1993, they announced the largest discovery of oil in the Gulf of Mexico in the last 20 years: 700 million barrels. It sounds like an enormous number, until you realize that we Americans go through roughly 17.7 million barrels a day. Divide 700 by 17.7. It'll last about 40 days.''

The auditorium is now silent. ''That indicates,'' he tells us, ''that we've already made the big petroleum discoveries. Now we're picking around the edges, getting the last ones.''

In 1975, during the depths of the energy crisis, Tom Harkin arrived in Washington as an Iowa congressman. In his first year on the House Science and Technology Committee, he decided that the threat to the future of energy was genuine. Then Carter was elected President, and, to Harkin's relief, the Administration began dispensing billions and creating incentives for solar, photovoltaic, wind and ocean thermal energy.

Then the next President, Ronald Regan, dismantled Carter's solar-heating apparatus on the White House roof and all the tax breaks and funding for alternative-energy research along with it. During those lean years, Harkin, now a senator, joined forces with longtime hydrogen zealot Sen. Spark M. Matsunaga of Hawaii to convince whomever they could that hydrogen wasn't some dumb fantasy. After Matsunaga's death in 1990, Harkin and the only other hydrogen devotees around, Reps. George E. Brown, Jr. (D-Colton) and Robert S. Walker (R-Pa.) and Sen. Harry Reid (D-Nev.), pushed through a five-year research bill in his memory.

The appropriation was minimal, but after Clinton and Gore were elected, Harkin was sure that would change. Shortly after their inauguration, he presented the new Administration with a 40-page proposal for a sustainable energy future based on hydrogen. It showed how, by using solar photovoltaic electricity to split water, hydrogen actually becomes a way to store the power of the sun, because it can be burned at night or shipped to cold climates where solar energy is scare. It explained that the cheapest way to produce hydrogen could be through ''electrofarming'': using marginal land to grow energy crops like switch grass, which could be reduced to hydrogen in a simple device called a biomass gasifier. The gasifier, in turn, would run on excess heat from a hydrogen fuel cell, providing power for the farm.

Harkin also rebutted the myth that hydrogen is more dangerous than traditional fuels, a belief dating to the 1937 explosion that destroyed the German airship Hindenburg. The 36 who died, he explained, were killed in the falll, not from burning hydrogen, which simply floated away (as it would have had the Exxon Valdez transported hydrogen instead of oil). In fact, the 61 Hindenberg survivors

would not have lived had the blimp carried natural gas.

But, Harkin concluded, in order to make fuel cells or hydrogen cars affordable, they have to be mass-produced, and before manufacturers will mass-produce them, delivery systems-hydrogen pumps at the corner gas station-have to be in place. That won't happen until there's mass demand for them, and so on. This classic chicken-and-egg dilemma, he argued, could be resolved by a federal commitment to a comfortable transition from fossil fuels.

He didn't get very far. ''I told the President he should grab the public's imagination the way Kennedy did with the moon shot, by announcing in his first State of the Union speech that the U.S. was going all out for hydrogen and fuel cells. He looked at me like I was slightly nuts.''

Later Harkin ran into Al Gore in the Executive Office Building. If the government purchased large quantities of photovoltaics, he told the vice president, it would lower the cost immensely. The same for fuel cells. No luck there, either. Instead, the tiny hydrogen coalition in Congress actually has had to fight the Administration's proposed cuts in funding provided by the Matsunaga Act.

In Washington, Harkin's hydrogen consultant, Sandy Thomas, shows me a chart of the Department of Energy's budget. Out of $18.6 billion, $10 billion goes for nuclear-weapons research and cleanup. ''That's even though we aren't building nuclear weapons anymore. It's an upper-middle-class welfare program for nuclear scientists. Then there's nearly $1 billion for fossil-fuel research and conservation, even though they're running out; $300 million for atomic fission, though we've stopped building nuclear reactors, and nearly half of a billion for fusion, the practical application of which even its most optimistic proponents admit it at least 40 year away.''

''And for hydrogen research?'' I ask.

''Ten million.

I gape. ''I know,'' he says. ''We've argued for shifting even $100 million out of DOE's nuclear-weapons fund. But those decisions are made at the top. It's hard to get Hazel O'Leary's ear on this one.''

At a White House conference on environmental technology in December, chaired by Gore, Energy Secretary O'Leary admits to me that in the wake of a new Republican Congress that threatens to cut not just budgets but the entire DOE, she questions the wisdom of bank rolling fission. On hydrogen, however, she doesn't yield. ''I'm not an apologist for traditional energy. We've backed some exciting research into wind power. But my strong opinion is that hydrogen isn't there yet. We have to be willing to deliver more mature technologies to market first. Excepting fusion, I think our investments fairly represent the energy marketplace for the near and midterm.''

At the conference, Gore, five Cabinet officers and President Clinton's science adviser meet with 1,400 industrialists, entrepreneurs and environmental representatives to discuss how the U.S. can prosper in the growing international market for clean, green technology. There are seminars on environmental export financing and transitions to industrial ecology—yet barely any mention of energy, except for a small workshop on fuel cells and another on transportation technologies.

In the latter, I join a study group chaired by Ford's representative for the Partnership for a New Generation of Vehicles. Among the points we've asked to consider are the prospects for introducing alternative fuels like hydrogen for motor vehicles in the near future. The first to speak up is General Motors' federal research coordinator. ''Very dim. As long as gas and diesel stay around $1.20, consumers have no incentive to use anything else.'' Alternative fuels, he says, all lack the energy density of petroleum, so it will always cost more to get the same amount of power.

No one contradicts him, so Ford moves on to the next question. I interrupt. ''Wait, Isn't the whole reason for this conference the idea that consumer demand today involves things other than price, such as products that don't pollute us to death?''

''I'll believe that,'' GM replies, ''when Californians start buying the 50 miles-per-gallon vehicles that are already available. The fact is, they don't want cars that are more efficient or cleaner.''

''So how would you get people to buy this thing?'' I yell to Thomas Klaiber, but he doesn't hear me, because a low-slung, Class C racing series model and a black, V–12 600SL roar past us at that instant, one on either side. We're on the Mercedes-Benz test track in Stuttgart, Germany. Klaiber, a mechanical engineer, is head of the Daimler-Benz hydrogen fuel cell group, the van he's driving is the hydrogen-powered vehicle that prompted Mercedes' grand announcement.

If this is really the future we're driving into, at a top cruising speed of 50 miles per hour, it's a little like riding the tortoise while being passed by a flock of jeering hares. Even Mercedes buses are passing us as we negotiate banked curves and climb steep little hills that suddenly appear in the middle of the straightways. Yet the van itself feels surpringly normal. Amid the surrounding internal combustion thunder, the most noticeable difference is how quietly it runs. The fuel cell itself make no sound. There's only the hum of an air compressor.

Some significant technology challenges remain unmet, however. Much of the cargo area is filled with fiberglass pressure tanks. Although hydrogen has up to three times the efficiency of gasoline, its lightness gives it such low density that even when compressed. its storage requires at least four times the space of a conventional gas tank. This is fine for the fuel-cell buses that Ballard Power Systems is operating successfully in Vancouver, because there's plenty of room on their roofs to store hydrogen. To partly alleviate this problem for passenger cars, Daimler-Benz plans to shrink the fuel cell to one-fourth it current size, even as it increases horsepower.

''The alternative is we store the hydrogen in metal hydrides,'' Klaiber says, referring to a process in which certain metals absorb hydrogen like a sponge, then release it when heated. ''They're fine for commuter cars; citizens tested a fleet for us in Berlin for four years. But for a range of 250 miles, you'd need a ton of hydrides. Too much.''

I have just come from Munich, where I rode in a silver 7-Series BMW that uses a third storage option, liquid hydrogen, exactly like the space shuttle. Its ride, acceleration, speed and internal combustion engine made it virtually indistinguished from a regular car. Underneath the chassis, however, was a doubled-walled tank to keep the fuel at −423 degrees F. But even with that much insulation, too much hydrogen boils off after three days, making it impractical, say, to leave a liquid hydrogen car in an airport parking lot during summer.

Plus, it takes one-third the energy of hydrogen to cool it to a liquid state. So the simplicity and high efficiency of fuel cells, which runs at normal temperatures, seem to be winning the race to the future-whenever that is.

Riding with Klaiber, it doesn't feel distant. His face is glowing, almost cherubic. He confesses that he loves driving this thing just because he knows it's so clean.

We pull over. He doesn't turn off the engine but finds a paper cup and holds it over the exhaust pipe. ''Drink?'' he offers.

It's pure, distilled water.

Consumers, I'm told by hydrogen skeptics, won't buy a vehicle whose power and performance fall short of what we've grown to expect from our automobiles. In the Daimler-Benz headquarters, Mercedes' vice president of marketing for passenger cars, Jochen Placking, shows me a typical ad they use for the United States: a convertible speeding across a New Mexico desert. ''We're selling freedom. The limitless power to go explore.''

In the halls here, decades of Mercedes advertising posters show women with long, shapely legs protruding from fur coats, leaning against gorgeous roadsters. How can you make an environmentally correct car into a sexy status symbol, like a sports coupe?

Placking strokes his mustache. ''We'll have to find a way to make clean cars fascinating,'' he says. ''Like selling people on safe sex.''

It's not an altogether encouraging analogy, especially in the context. Germany, world leader in hydrogen research investment—about $12 million a year since the late 1970s until it was blindsided by the expense of reunification—is hardly the renewable-energy economy I imagined. An official from the state of Bavaria's electric utility, which has the world's biggest hydrogen pilot facility, admits there are no plans to scale up to a full-sized working plant. So what will they do in 30 years, when Bavaria's aging nuclear plants mut be phased out and fossil fuels are expected to be scarce?

''I can't answer that question. Nobody can. Nobody gives a damn about the future.''

Back in my own country, I share this story with Michael Heben, a lanky young materials scientist at the National Renewable Energy Laboratory. Even at BMW and Daimler-Benz, I tell him, hydrogen only gets a small chunk of the research budget compared to conventional engines. I suppose it's not in a company's interest to invent something that renders its most successful product obsolete.

Heben shrugs. He reminds me we've seen computers grow smaller, faster and cheaper at a breathless pace, all because a couple of kids in a garage dared to try to build something better. When Edison was inventing light bulbs and phonographs, electricity cost 300 times what it does now. As soon as people saw what it could do, they started using it en masse, and the price became practical. Maybe, he suggests, one key discovery will do the same for hydrogen—like the semiconductor work of John Turner, who's splitting water without the intermediate step of first making photovoltaic electricity.

Other researchers here are cultivating strains of algae that exhale hydrogen. Heben himself is after a revolutionary way to store it. He's trying to prove that submicroscopic tubes made of activated carbon, developed at IBM, suck up hydrogen atoms via capillary action, like a straw. A fuel tank full of the tough, light tubules, each about a billionth of a meter in diameter, could actually hold far more diffuse hydrogen gas than a tank that was empty.

''Our goal should be a vehicle that performs like today's cars: same size, weight, acceleration, frequency of refueling. With good, compact, energy-efficient storage, there's no reason we can't do that with clean hydrogen.''

On NREL's lean hydrogen budget, he's currently able to create enough of a soot-like substance, which contains carbon nanotubules, to coat the inside of a countertop bell jar. To scale up to working size will cost a lot more. At this point, he has no idea where funds will come from, but something makes him believe they will.

''We're so close. so much has been accomplished with just a little. If we really decided that we wanted a clean hydrogen economy, we could have it by 2010. No more oil spills. Fresh air in Denver and L.A. Think of it.''

Maybe he's right. Curiously, amid panic over Republican threats to dismember research budgets, hydrogen may prove to be not just a survivor but also a winner. The new chairman of the House Committee on Science is Bob Walker, longtime science mentor to House Speaker Newt Gingrich and hydrogen ally of Tom Harkin.

In his office, decorated with pictures of the space shuttle, Walker reminds me that one of the most powerful forces in the marketplace is ''the love Americans have for roaming the planet freely in their own cars. Hydrogen will make that possible when the present technology gets too dirty to extend into the future.'' He has introduced legislation calling for a quadrupling or research funds for hydrogen over the next three years. Part of the money will be matched by nonfederal sources and part expropriated from technologies. Walker believes are either futile or outmoded.

He has little pity for industries that resist change, including auto makers. ''If Edison were to invent the light bulb today, the headlines would read, '200,000 candle makers lose their jobs.' We've been through this before, like when cars put blacksmiths out of business. It's wrenching, but overall our national competitiveness gets stronger. The same thing will happen in energy. The people themselves will demand it.''

He pauses to gaze at a plaque naming him the latest recipient of the National Hydrogen Assn.'s Spark M. Matsunaga Award. ''Driving on the interstate, I watch them stringing fiber-optic cable up the median strip for the Internet. The government talks about the Internet but can't come up with a structure. Meantime, it's happening because people want it. When they realize they need clean hydrogen, somebody will find a way to supply that, too.''●

THE ADMINISTRATION'S MIGRATION AGREEMENT WITH CUBA

● Mr. SIMON. Mr. President, a couple of weeks ago, the administration concluded a migration agreement with Cuba that I hope will be the first step in the direction of a rational policy toward Cuba.

Under this agreement, most of the 15–20 thousand Cubans that have been housed in Guantanamo Bay for the past several months will be paroled into the United States, with those paroles to count, on a 3-year prorated basis, against the 20,000 minimum Cuba-to-America immigration numbers agreed upon by the Cuban and American governments last fall. Cuba has also agreed to accept back those Cubans at Guantanamo who are excludable under U.S. law because of criminal histories, infectious diseases, etc. Thus, within the limits set out in last fall's agreement between Cuba and the United States, this agreement has solved the costly and potentially explosive detention of the Cubans at Guantanamo.

As part of this new policy, the Attorney General has also announced that those attempting in the future to emigrate to the United States from Cuba illegally—rather than through the process agreed upon last year—would be subject to interdiction and forced repatriation to Cuba, from where they could apply for asylum at the Cuban Interests Section in Havana.

Although I have some concerns about the second half of this new approach—in particular, the policy of interdiction and repatriation of future migrants from Cuba—and urge the Attorney General to implement sufficient procedural protections for those Cubans with valid asylum claims, in general I view this agreement as a significant step forward in our relations with Cuba.

Unlike our policies toward Cuba over the past 35 years, the agreement represents a rational and cooperative response to a U.S.-Cuba immigration problem that has caused this Nation nothing but headaches in the past. If our government could approach every U.S.-Cuba issue with the pragmatism that is reflected in this agreement, I believe that our long-sought goal of democratization of Cuba would be much closer to our grasp than this goal is now.

I ask to have printed in the RECORD a May 4 editorial on the agreement with Cuba from the Chicago Tribune. This editorial ends with a call to President Clinton to apply the tools of constructive engagement in our relations with Cuba, and recognizes that these tools, not a doctrinaire and obsolete policy of Castro-baiting, hold the keys to a successful Cuba policy.

The editorial follows:

[From the Chicago Tribune, May 4, 1995]

A WELCOME CHANGE IN CUBA POLICY

Ever since 1959, when Fidel Castro descended from the Sierra Maestra to enter Havana spewing Marxism like cigar smoke, Cuba has been a misplaced comma that jumbled an otherwise cogent political essay called the Monroe Doctrine.

In a commendable turn of direction. President Clinton reinjected logic into U.S.-Cuba relations by ending 35 years of preferential treatment for Cuban refugees. Clinton ruled Tuesday that Cubans will no longer receive automatic asylum but must pass the same hurdles as any other refugee reaching our shores.

Although Clinton's decision will be analyzed in terms of the Cuban-American vote and hemispheric diplomacy, its inspiration was purely practical.

At present, 20,000 Cuban refugees are stuck in tents at the Guantanamo Bay Naval Station; their $1 million-a-day tab for room and board comes from the Pentagon budget, which means the taxpayers' pockets.

The refugees are getting restless. Clinton wants to avoid ugly riots, so a final exemption will be granted to accept that group. Any other ''raft people'' will be turned back to Cuba.

Clinton has firmly announced that this nation, not Castro, controls America's borders. In addition, Clinton has denied Castro the foreign policy weapon of ''boatlift diplomacy,'' which capitalizes on the pitiful sight of refugees foundering abroad unseaworthy craft en route to the promise of Florida's beaches.

There are two glaring holes in the president's program, however.

First is a threat that anyone among the Guantanamo refugees with a criminal record will be denied entry. What's this? Clinton thinks Castro is going to open up his secret police files for perusal by Immigration and Naturalization Service officers? Doubtful.

And second is the quid pro quo from Castro, who has promised to allow his people free access to the American interest section in Havana. There they may file a formal request for U.S. entry, which will be weighed by the INS like those of potential immigrants worldwide. But Catro's promise may be meaningless. In Cuba, one of the last remaining communist states on Earth, pressures both subtle and overt can be applied to frighten away potential applicants.

By ending three decades of automatic asylum for Cubans, Clinton has demoted Castro from top devil of the Caribbean, much to the heartfelt anguish of expatriate Cubans and Cuban-Americans.

If that is to be Clinton's new policy, then it is time to apply the tools of constructive engagement—as with China, a few steps at a time—using the full range of American diplomacy, trade and culture to push Cuba toward democracy and a rational relationship with its giant northern neighbor.

SPEECH OF AMY BRINDLEY TO STRIKING UNITED RUBBER WORKERS

● Mr. HARKIN. Mr. President, today I would like to submit into the RECORD a statement from a 16-year-old in Des Moines named Amy Brindley. Amy is the daughter of a striking URW member who works at the Bridgestone/Firestone plant in Des Moines. She gave this moving speech in April to a rally of striking workers and their families. I think all Senators should read the words of this impressive young American. I ask that her statement be printed in the RECORD at this point.

The statement follows:

SPEECH BY AMY BRINDLEY

As a teenage daughter of a United Rubber Worker, who's been on strike for the past 9 months, I'd like to point out that this strike involves many, many people and is just NOT limited to the union members and their employer. Bridgestone/Firestone has invaded the lives of the entire family with their inexcusable hunger for corporate greed.

I feel that is important to recognize the numerous family members who have fallen victim to the ruthless demands set forth by Bridgestone/Firestone.

Being a teenager is never easy, but having to deal with the additional stress this labor dispute has brought about, has made it even more challenging. Many friendships have been broken apart throughout this strike. I, myself, have had friendships that have suffered great setbacks because of my pro labor beliefs. I believe that it is the lack of education that a lot of people have concerning the Union. I strongly believe that we need to educate and promote the values and the importance regarding unions. As members of the United Rubber Workers are attempting to hold on to what fellow members have fought to gain in the past years of joining together at the bargaining table. If we don't educate people, what will the future hold, not just for my generation but the following generations also?

I am a junior at Southeast Polk High School. As juniors, we are offered the opportunity to go to Washington D.C. and New York for the United Nations Trip. This trip is only offered to juniors. Because of the strike it was financially impossible for me to go with my fellow classmates. It was very

difficult for me to watch my friends, including my best friend, as they prepared for this venture with great anticipation, and again when they returned and shared with me their special memories that I was not a part of. Under different circumstances I would have been among my fellow classmates, but again, due to Bridgestone/Firestone's desire for complete control, I was cheated out of a significant, once in a life time opportunity.

One of Bridgestone/Firestone's most appalling scare tactics that has personally touched myself and my family was the elimination of health care benefits, 90 days into this strike. My sister, Angie, and I are both insulin dependent diabetics. Consequently, it is of utmost importance that we have medical insurance to maintain and control this dreaded disease. It has been impossible for us to find an alternate insurance policy that covers our diabetes. Therefore, my parents have been forced to pay the enormous monthly premiums for the company's Cobra Coverage, adding to the already overwhelming financial burdens families are facing during this work stoppage due to this strike.

I have briefly touched on just a ''few'' of the intrusions this company has used to manipulate the lives of innocent people. But, on the other hand, some things I don't think this heartless company counted on, is that I've also gained many things. Things that you can't put a material value on. Such as, a new understanding of what the union is truly about, the importance of solidarity, the significance of the support that we've received from fellow unions and citizens. The outpouring of generosity so many different individuals have extended has been astounding. Even though Bridgestone/Firestone has taken away our paycheck and temporarily left us financially strapped; they'll NEVER take away our dignity!

Thank you.●

ORDERS FOR WEDNESDAY, MAY 24, 1995

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8 a.m. on Wednesday, May 24, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of Senate Concurrent Resolution 13, the concurrent budget resolution.

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

ORDER FOR RECESS FROM 4:20 P.M. TO 5 P.M. TOMORROW

Mr. KEMPTHORNE. Mr. President, I also ask unanimous consent that the Senate stand in recess between the hours of 4:20 p.m. and 5 p.m. in order for all Members to attend a ceremony unveiling a bust of former Vice President Agnew.

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

PROGRAM

Mr. KEMPTHORNE. For the information of all Senators, the Senate will resume consideration of the budget resolution at 8 a.m. tomorrow morning. Four hours remain on the resolution and several amendments remain. Therefore, rollcall votes can be expected throughout Wednesday's session of the Senate and Members should be on notice that there could be a large number of votes after all debate is consumed.

Also, Members should be aware that following the disposition of the budget resolution, it will be the leader's intention to turn to Calendar No. 102, S. 735, the antiterrorism bill.

RECESS UNTIL TOMORROW AT 8 A.M.

Mrs. HUTCHISON. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in recess as under the previous order.

There being no objection, the Senate, at 10:35 p.m., recessed until Wednesday, May 24, 1995, at 8 a.m.

NOMINATIONS

Executive nominations received by the Senate May 23, 1995:

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 12203 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 12203 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE.

LINE

To be lieutenant colonel

MAJ. WILLIAM M. ALTMAN III, 000–00–0000
MAJ. JONATHAN S. BAXT, 000–00–0000
MAJ. GEORGE C. BLAKE, JR., 000–00–0000
MAJ. GREGORY G. BOTCH, 000–00–0000
MAJ. MARK E. CLEM, 000–00–0000
MAJ. DANIEL L. DELANE, 000–00–0000
MAJ. GREGORY A. FICK, 000–00–0000
MAJ. EDWARD R. FLORA, 000–00–0000
MAJ. DAVID J. HATLEY, 000–00–0000
MAJ. SCOTT R. JENSEN, 000–00–0000
MAJ. VANCE J. NEUMANN, 000–00–0000
MAJ. JAMES R. PATTERSON, 000–00–0000
MAJ. ROY E. PENSHORN, 000–00–0000
MAJ. DANA S. QUINN, 000–00–0000
MAJ. THOMAS H. SHAW, 000–00–0000
MAJ. DEBORA F. SKUSE, 000–00–0000
MAJ. JOHN B. SOILEAU, JR., 000–00–0000
MAJ. MARK S. STOUDENMIRE, 000–00–0000
MAJ. MARTIN J. TROUT, 000–00–0000
MAJ. JOHN S. TUOHY, 000–00–0000
MAJ. JAMES W. UNDERWOOD, 000–00–0000
MAJ. RICHARD J. UTECHT, 000–00–0000
MAJ. DANIEL K. WESTMORELAND, 000–00–0000
MAJ. BRADLEY N. WILKERSON, 000–00–0000

MEDICAL SERVICE CORPS

To be lieutenant colonel

MAJ. ZETTIE E. PAGE III, 000–00–0000

To be lieutenant colonel

MAJ. MICHAEL VANDEVEER, 000–00–0000

DENTAL CORPS

To be lieutenant colonel

MAJ. PHILIP M. ABSHERE, 000–00–0000

IN THE ARMY

THE FOLLOWING NAMED OFFICER, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTIONS 626 AND 628, TITLE 10, UNITED STATES CODE.

ARMY

To be lieutenant colonel

ROBERT G. KOWALSKI, 000–00–0000

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADES INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTIONS 624 AND 628, TITLE 10, UNITED STATES CODE. THE OFFICERS IDENTIFIED WITH AN ASTERISK ARE ALSO BEING NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY.

MEDICAL SERVICE CORPS

To be lieutenant colonel

JOSEPH F. MILLER, 000–00–0000

ARMY NURSE CORPS

To be lieutenant colonel

*ROBIN R. BENCKART, 000–00–0000
*LILLIAN A. FOERSTER, 000–00–0000

ARMY

To be major

*KEVIN W. MC REE, 000–00–0000

MEDICAL CORPS

To be major

DAVID C. BONOVICH, 000–00–0000
TIMOTHY MATTISON, 000–00–0000
DOUGLAS A. SCHOW, 000–00–0000

IN THE ARMY

THE FOLLOWING NAMED CADETS, GRADUATING CLASS OF 1995, UNITED STATES MILITARY ACADEMY, FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, IN THE GRADE OF SECOND LIEUTENANT, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, 533 AND 4353:

THOMAS H. AARSEN, 000–00–0000
JAMES F. ADAMOUSKI, 000–00–0000
BRETT N. ADAMS, 000–00–0000
GEOFFREY R. ADAMS, 000–00–0000
NURUDEEN B. ADEYEMI, 000–00–0000
RONALD R. ADIMEY, 000–00–0000
MARK C. ADINOLFI, 000–00–0000
ERIC L. ADLER, 000–00–0000
ROBERT J. AHERN, 000–00–0000
DOROTHEA L. AKERY, 000–00–0000
SYED O. ALI, 000–00–0000
SHAFFIR ALIKHAN, 000–00–0000
KIMBERLY D. ALLEN, 000–00–0000
BRIDGET D. ALTENBURG, 000–00–0000
PATRICK S. ALTENBURG, 000–00–0000
JAMES R. ANDERSON, 000–00–0000
JASON L. ANDERSON, 000–00–0000
ROBYN J. ANDERSON, 000–00–0000
WAYNE M. ANDERSON, 000–00–0000
RICHARD K. ANSELMI, 000–00–0000
ADAM D. APPLEBY, 000–00–0000
KRISTEN L. ARGUS, 000–00–0000
MICHAEL S. ARMSTRONG, 000–00–0000
PAUL M. ARMSTRONG, 000–00–0000
STEPHANI R. ARNOLD, 000–00–0000
PATRICK C. ASPLAND, 000–00–0000
CHRIS S. AUCLAIR, 000–00–0000
CHRISTOP M. AUSTIN, 000–00–0000
RODRICK L. AUSTIN, 000–00–0000
CORNELIA J. BACA, 000–00–0000
JEAN-PIE BADO, 000–00–0000
CHAD A. BAGLEY, 000–00–0000
DAVID B. BAILEY, 000–00–0000
MARSHANN M. BAIN, 000–00–0000
JEFFREY E. BAKER, 000–00–0000
JOHN T. BAKER, 000–00–0000
KOO BAKER, 000–00–0000
SCOTT R. BAKER, 000–00–0000
TROY R. BAKER, 000–00–0000
BRIAN C. BALDRATE, 000–00–0000
CHAD B. BALFANZ, 000–00–0000
AMBER K. BALLARD, 000–00–0000
ARYN A. BALLARD, 000–00–0000
ADAM V. BALUKONIS, 000–00–0000
JOE D. BANNER, 000–00–0000
KEVIN S. BARDONNER, 000–00–0000
THOMAS H. BARNARD, 000–00–0000
ERIC B. BARR, 000–00–0000
SUNNY D. BARSE, 000–00–0000
AARON C. BARTA, 000–00–0000
JAMES B. BARTHOLOMEES, 000–00–0000
HEATHER J. BARTOLD, 000–00–0000
MICHAEL A. BASELUOS, 000–00–0000
CHAD T. BATES, 000–00–0000
JOHN W. BAUER, 000–00–0000
RICARDO A. BAUTISTA, 000–00–0000
DAVID M. BEAIRD, III, 000–00–0000
SLADE H. BEAUDOIN, 000–00–0000
KIMBERLY A. BECK, 000–00–0000
DAMON A. BECKNEL, 000–00–0000
SHAWN D. BEEBE, 000–00–0000
JEFF R. BEIERLEIN, 000–00–0000
DAVID G. BELL, 000–00–0000
MICHELLE M. BENCOMO, 000–00–0000
JACK W. BENECKE, 000–00–0000
ANDREW M. BENJAMIN, 000–00–0000
PAUL T. BERGHAUS, 000–00–0000
ROBBIE W. BERGLUND, 000–00–0000
MICHAEL L. BERNSTEIN, 000–00–0000
CHRISTOP E. BERRY, 000–00–0000
PETER J. BERTANZETTI, 000–00–0000
JOSEPH D. BERTRAND, 000–00–0000
THOMAS BEVERLEY, 000–00–0000
CHAD M. BILBREY, 000–00–0000
MICHAEL E. BINDAS, 000–00–0000
PHILIP E. BINDON, 000–00–0000
MATTHEW S. BIRD, 000–00–0000
DANIEL J. BIRNBAUM, 000–00–0000
TODD A. BLACKWELL, 000–00–0000
JOHN H. BLAHA, 000–00–0000
TYRONE M. BLAND, 000–00–0000
BRIAN J. BLEDSOE, 000–00–0000
MARK A. BLISS, 000–00–0000
THOMAS G. BLOUNT, 000–00–0000
PAUL C. BOATMAN, 000–00–0000

MARK A. BOEKE, 000–00–0000
BRIAN C. BOLIO, 000–00–0000
PATRICIA D. BORCHER, 000–00–0000
MICHAEL C. BORCHERS, 000–00–0000
THEODORE S. BOSLEY, 000–00–0000
CHRISTOP E. BOVE, 000–00–0000
TANYA M. BOVETSKY, 000–00–0000
MELANIE D. BOWERS, 000–00–0000
MATTHEW R. BOWLER, 000–00–0000
BRADLEY L. BOWMAN, 000–00–0000
BRANDON N. BOX, 000–00–0000
DAVID N. BOX, 000–00–0000
EDWARD A. BRADY, 000–00–0000
PETER A. BRANDT, 000–00–0000
TERRY D. BRANNAN, 000–00–0000
JONATHAN P. BREAZEALE, 000–00–0000
ERICH D. BRELJE, 000–00–0000
JOHN E. BRENNAN III, 000–00–0000
SHANNON L. BRENNAN, 000–00–0000
JENNIFER A. BREWER, 000–00–0000
REID S. BREWER, 000–00–0000
JASON A. BRIZIC, 000–00–0000
HERBERT J. BROCK IV, 000–00–0000
JARETT D. BROEMMEL, 000–00–0000
ANN M. BROSIER, 000–00–0000
BRENT E. BROWN, 000–00–0000
DANTE O. BROWN, 000–00–0000
KELLY C. BROWN, 000–00–0000
BRADLEY N. BRUCE, 000–00–0000
JAMES E. BRYAN, 000–00–0000
CHARLES E. BRYANT, 000–00–0000
STANLEY M. BUCHESKY, 000–00–0000
SHELBY L. BUCHLY, 000–00–0000
MEHMET I. BUDAK, 000–00–0000
JOHN F. BUERGLER, 000–00–0000
JOEL N. BUFFARDI, 000–00–0000
LINWOOD J. BUFORD, 000–00–0000
TODD E. BUHR, 000–00–0000
AN H. BUI, 000–00–0000
DALE W. BURBANK, 000–00–0000
JOEL C. BURBANK, 000–00–0000
KENNETH J. BURKEEN, 000–00–0000
ERIN BURNS, 000–00–0000
SCOTT A. BURNS, 000–00–0000
FRANK E. BYRNE, 000–00–0000
JONATHAN C. BYROM, 000–00–0000
BRIAN R. CAHAK, 000–00–0000
MATTHEW A. CALARCO, 000–00–0000
CHRISTY J. CALDWELL, 000–00–0000
DIANNA K. CALDWELL, 000–00–0000
JASON C. CALDWELL, 000–00–0000
ANTHONY M. CALLANDRILLO, 000–00–0000
JAMES J. CAMERON, 000–00–0000
MARTIN D. CAMP, 000–00–0000
CHAD E. CAMPFIELD, 000–00–0000
ANNA M. CANDLER, 000–00–0000
CHRISTIA T. CANNON, 000–00–0000
JAMES S. CAPPS, 000–00–0000
KEVIN S. CAPRA, 000–00–0000
THOMAS J. CAREY, 000–00–0000
PETER P. CARNEGIE, 000–00–0000
THOMAS M. CARNEVALE, 000–00–0000
JOHN M. CARREIRO, 000–00–0000
ANDREW T. CARTER, 000–00–0000
STEPHEN P. CASE, 000–00–0000
KENT D. CAVALLINI, 000–00–0000
MICHAEL E. CERNIAUSKAS, 000–00–0000
CHAD C. CHALFONT, 000–00–0000
KEVIN S. CHANEY, 000–00–0000
HANNAH A. CHANG, 000–00–0000
SHAUN W. CHELF, 000–00–0000
CHRISTA M. CHEWAR, 000–00–0000
MICKEY S. CHO, 000–00–0000
STEVEN N. CHO, 000–00–0000
RICHARD J. CHONG, 000–00–0000
ANDREW H. CHRISTIANSEN, 000–00–0000
CLAYTON S. CHRISTMAN, 000–00–0000
JOHN S. CHU, 000–00–0000
JAMES H. CHUN, 000–00–0000
KEVIN K. CHUNG, 000–00–0000
BLAKE F. CHURCH, 000–00–0000
LUIS A. CIFUENTES, 000–00–0000
JOHN D. CLARK, 000–00–0000
MEGAN B. CLARK, 000–00–0000
ROBERT W. CLARK III, 000–00–0000
JENNIFER R. CLEGG, 000–00–0000
STEVEN A. CLINE, 000–00–0000
SPENCER J. CLOUATRE, 000–00–0000
NOAH C. CLOUD, 000–00–0000
MARCO M. COEN, 000–00–0000
KYLER S. COLE, 000–00–0000
STEVEN R. COLE, 000–00–0000
BRYAN A. COLEMAN, 000–00–0000
SHANNON L. COLL, 000–00–0000
CLYDE E. COLLINS, JR., 000–00–0000
MICHAEL J. COLON, 000–00–0000
JOHN D. COLWELL II, 000–00–0000
PETER G. CONBOY, 000–00–0000
WILLIAM M. CONDE, 000–00–0000
TRISHA L. CONRAD, 000–00–0000
JOSE A. CORA, 000–00–0000
ANDREW S. CORNELIUS, 000–00–0000
JASON D. CORNETT, 000–00–0000
ERNESTO A. CORTEZ, 000–00–0000
STUART R. COSTON, 000–00–0000
RIVAS J. COTTO, 000–00–0000
STEPHEN COURREGES, 000–00–0000
PHILIP A. COWLEY, 000–00–0000
BRIAN A. COX, 000–00–0000
NATHAN A. COX, 000–00–0000
RICHARD R. COYLE, 000–00–0000
JAMES G. CRAIG III, 000–00–0000
DOUGLAS B. CRANDALL, 000–00–0000
NEAVOLIA N. CRANE, 000–00–0000
FRANKLIN E. CRAWFORD, 000–00–0000
JEREMY W. CRAWFORD, 000–00–0000
TROY D. CREASON, 000–00–0000
MICHAEL CRENSHAW, 000–00–0000
JESSE A. CRISPINO, 000–00–0000
GARRY F. CROSSLAND, JR. 000–00–0000
RICHARD A. CROSSON, 000–00–0000
JAMES C. CROWLEY, 000–00–0000
CORD W. CUNNINGHAM, 000–00–0000
JASON A. CURL, 000–00–0000
PHILIP J. DACUNTO, 000–00–0000
LARRY S. DAFFIN, 000–00–0000
ROBERT P. DAMARE, 000–00–0000
FRANCES S. DANAHER, 000–00–0000
ANTHONY J. DANIEL, 000–00–0000
TODD J. DAVID, 000–00–0000
NEIL B. DAVIDS, 000–00–0000
WARREN E. DAVIDSON, 000–00–0000
CAROLYN M. DAVIS, 000–00–0000
SCOTT F. DAVIS, 000–00–0000
VENDECK M. DAVIS, 000–00–0000
WILLIAM E. DAVIS, 000–00–0000
PAUL W. DAVISON, 000–00–0000
MARK C. DEAN, 000–00–0000
DALE G. DEGEN, 000–00–0000
CLAYTON H. DEGIACINTO, 000–00–0000
JOSEPH S. DEGLIUOMINI, 000–00–0000
GILBERT F. DEIMEL II, 000–00–0000
JAMES J. DELAPENA, 000–00–0000
TRAVIS C. DELK, 000–00–0000
KEITH R. DELOACH, 000–00–0000
ANTHONY M. DELUCA, 000–00–0000
BRADY A. DEMAREST, 000–00–0000
SEAN E. DEMEULE, 000–00–0000
RONALD T. DEMOTT, 000–00–0000
RICHARD A. DENNIS, 000–00–0000
MATTHEW S. DENNY, 000–00–0000
GERALD A. DERRICK, 000–00–0000
DOUGLAS M. DESCAMPS, 000–00–0000
MICHAEL G. DHUNJISHAH, 000–00–0000
BRET M. DIAZ, 000–00–0000
MICHAEL W. DICKSON, 000–00–0000
JONATHAN L. DIETRICH, 000–00–0000
MARK C. DILLE, 000–00–0000
ABRAHM C. DIMARCO, 000–00–0000
BRIAN J. DIMEO, 000–00–0000
MARC J. DISTEFANO, 000–00–0000
CHRISTOP L. DODD, 000–00–0000
SCOT A. DOEPKER, 000–00–0000
JAMES J. DOHENY, 000–00–0000
CAROL M. DOLESKI, 000–00–0000
CALONDRA L. DOOLEY, 000–00–0000
JENNIFER M. DORMIRE, 000–00–0000
MATTHEW D. DOSSEY, 000–00–0000
JAMES L. DOTY III, 000–00–0000
EDWARD J. DOYLE IV, 000–00–0000
JONATHAN H. DOYLE, 000–00–0000
KELLY S. DOYLE, 000–00–0000
EDWARD W. DRESCH II, 000–00–0000
CHRISTOP C. DREXEL II, 000–00–0000
CHARLES E. DRISCOLL, 000–00–0000
ERIC J. DUCKWORTH, 000–00–0000
JAMES P. DUNCAN, 000–00–0000
JOSEPH A. DUNLOP, 000–00–0000
ERIC A. DUVALL, 000–00–0000
JOHN R. DYKE III, 000–00–0000
ERIC C. EAVES, 000–00–0000
MATTHEW R. EDMOND, 000–00–0000
BRENT T. EDWARDS, 000–00–0000
DOMINICK L. EDWARDS, 000–00–0000
LARRY D. EDWARDS, 000–00–0000
SARAH V. EICHINGER, 000–00–0000
TROY J. EIGNER, 000–00–0000
JANET M. ELBERT, 000–00–0000
DANIEL G. ELLIOTT, 000–00–0000
KYLE T. ELLIOTT, 000–00–0000
JAMES C. ELLIS, 000–00–0000
BRAD W. ENDRES, 000–00–0000
ETHAN M. EPSTEIN, 000–00–0000
HANS G. ERICKSON, 000–00–0000
RANDY J. ERICKSON, 000–00–0000
ROSS T. ERICKSON, 000–00–0000
MATTHEW D. ERLACHER, 000–00–0000
MICHAEL T. ETTER, 000–00–0000
CHRISTOP J. EWOLSKI, 000–00–0000
ERIC A. FARKAS, 000–00–0000
MARK W. FAULKNER, 000–00–0000
MARK V. FAVETTI, 000–00–0000
SCOTT W. FELDE, 000–00–0000
CRAIG W. FELLMAN, 000–00–0000
THOMAS B. FENOSEFF, 000–00–0000
TROY C. FERGUSON, 000–00–0000
RONALD A. FERLAZZO, 000–00–0000
ROBERT A. FERRIS, JR., 000–00–0000
JONATHAN D. FIELD, 000–00–0000
JASON E. FIGUEIREDO, 000–00–0000
TARAS T. FILENKO, 000–00–0000
KEVIN E. FINCH, 000–00–0000
SEAN P. FINNEGAN, 000–00–0000
DOUGLAS A. FISCHER, 000–00–0000
JORDAN J. FISHER, 000–00–0000
ROBERT J. FISHER, 000–00–0000
KERRY S. FLETCHER, 000–00–0000
KATHELIN C. FLURY, 000–00–0000
SEAN C. FLYNN, 000–00–0000
TIMOTHY H. FLYNN, 000–00–0000
BRIAN T. FOGARTY, 000–00–0000
BRIAN J. FOLDENAUER, 000–00–0000
MARC A. FOLSOM, 000–00–0000
MICHAEL D. FORBIS, 000–00–0000
JOSEPH P. FRAGNITO, 000–00–0000
DAVID A. FRANCOMB, 000–00–0000
JOHNATHA B. FRASIER, 000–00–0000
STEVEN J. FREDERIKSEN, 000–00–0000
JAMES D. FREEMAN III, 000–00–0000
JOSHUA M. FREEMAN, 000–00–0000
ZEBEDEE I. FREEMAN, 000–00–0000
LUIS A. FREGOSO, 000–00–0000
ANDREA J. FRENCH, 000–00–0000
MICHAEL P. FRITERS, 000–00–0000
JOSEPH A. FUNDERBURKE, 000–00–0000
JOHN A. GABBERT, 000–00–0000
ARMAND L. GADOURY, 000–00–0000
CATHERIN N. GAFFIGAN, 000–00–0000
DENNIS C. GANSEN, 000–00–0000
ROBERT J. GARBARINO, 000–00–0000
NICOLE K. GARDNER, 000–00–0000
CARRIE L. GARINGER, 000–00–0000
GREG P. GARRISON, 000–00–0000
PATRICK N. GASPARRO, 000–00–0000
MATTHEW A. GEHRMANN, 000–00–0000
RANDELL E. GELZER, JR., 000–00–0000
COREY S. GERVING, 000–00–0000
ANTHONY W. GIANNETTI, 000–00–0000
PETER N. GIAVARA, 000–00–0000
THOMAS A. GIGLIO, 000–00–0000
TIMOTHY S. GILLETTE, 000–00–0000
SCOTT D. GILMAN, 000–00–0000
JOHN C. GIORDANO, 000–00–0000
JUSTIN J. GITTLER, 000–00–0000
WILLIAM C. GLIDEWELL, 000–00–0000
KARINE A. GLORIOD, 000–00–0000
BRANDON S. GLOVER, 000–00–0000
DAVID M. GLOYSTEIN, 000–00–0000
GARY M. GODBEE, 000–00–0000
STEVEN F. GRATZER, 000–00–0000
THOMAS M. GRECO, 000–00–0000
CHRISTOP L. GREEN, 000–00–0000
MICHAEL H. GREENBERG, 000–00–0000
BRETT S. GREENE, 000–00–0000
TIMOTHY P. GREENE, 000–00–0000
JON M. GREESON, JR., 000–00–0000
EUGENE J. GREGORY III, 000–00–0000
JOHN R. GREGOS, JR., 000–00–0000
JEFFREY S. GRIBSCHAW, 000–00–0000
BRANDON R. GROGAN, 000–00–0000
GREGORY A. GUALTIERI, 000–00–0000
REY D. GUMBOC, 000–00–0000
PAUL B. GUNNISON, 000–00–0000
ERIC A. GUTTORMSEN, 000–00–0000
MATTHEW H. HAAS, 000–00–0000
LEON R. HACHAT III, 000–00–0000
JUSTEN D. HACKENBERG, 000–00–0000
KYLE O. HAIR, 000–00–0000
DAVID L. HALL, 000–00–0000
JOHN F. HALL 000–00–0000
JOHN N. HALL, IV, 000–00–0000
ROBERT T. HALL, 000–00–0000
CHARLES K. HAMMOND III, 000–00–0000
THOMAS M. HAMMOND III, 000–00–0000
JASON M. HANCE, 000–00–0000
JEFFREY T. HANSON, 000–00–0000
RYAN W. HANSON, 000–00–0000
ERIC B. HARDY, 000–00–0000
KEVIN P. HARE, 000–00–0000
PATRICK K. HARKINS, 000–00–0000
GROVER C. HARMS, JR., 000–00–0000
MIKELL C. HARPER, 000–00–0000
TODD D. HARRINGTON, 000–00–0000
PETER G. HART, 000–00–0000
EZEKIEL J. HARVEY, 000–00–0000
FROWENE S. HARVEY, 000–00–0000
ROBERT J. HASKIN, 000–00–0000
DEREK T. HASTY, 000–00–0000
RONALD C. HASZ, 000–00–0000
JOSHUA A. HATFIELD, 000–00–0000
TIFFANY S. HAVASY, 000–00–0000
JEFFREY W. HAVERTY, 000–00–0000
BRANDON H. HAVRON, 000–00–0000
JOHN M. HAWKINS, 000–00–0000
JOSEPH S. HAYNES, 000–00–0000
NATHAN J. HAYS, 000–00–0000
DANIEL T. HEAD, 000–00–0000
MARK S. HEBERT, 000–00–0000
ROBERT R. HECKATHORNE, JR., 000–00–0000
JOHN K. HEDSTROM, 000–00–0000
BRIAN S. HEFNER, 000–00–0000
KURT F. HEISS, 000–00–0000
ROBERT B. HENDRY, 000–00–0000
BRIAN T. HENNAMAN, 000–00–0000
SEAN P. HENNESSY, 000–00–0000
EDWARD C. HENRICHSON, 000–00–0000
GARTH S. HERBERT, 000–00–0000
MANUEL J. HERNANDEZ, 000–00–0000
WILLIAM L. HICKMAN III, 000–00–0000
CHRISTOP S. HICKS, 000–00–0000
JOSHUA P. HIGGINS, 000–00–0000
JUSTIN L. HIGHLEY, 000–00–0000
JOHN T. HILDEBRANT, 000–00–0000
ANDREW C. HILMES, 000–00–0000
GREGORY E. HINSON, 000–00–0000
TROY E. HIVELY, 000–00–0000
FRANCIS Q. HOANG, 000–00–0000
ERIC M. HOBSON, 000–00–0000
BENJAMIN HOCKENBERRY, 000–00–0000
CHRISTOP D. HOCKENBERRY, 000–00–0000
FREDERIC A. HOCKETT, JR., 000–00–0000
TIMOTHY H. HOCKING, 000–00–0000
SHAUGHNE D. HODGE, 000–00–0000
DANIEL A. HOFFMAN, 000–00–0000
KRISTA M. HOFFMAN, 000–00–0000
JOSEPH P. HOGAN, 000–00–0000
NANCY L. HOGAN, 000–00–0000
JEREMY D. HOIT, 000–00–0000
EMILY B. HOLCOMB, 000–00–0000
MARGARET E. HOLDERNESS, 000–00–0000
RONALD J. HOLLMANN, 000–00–0000
JOHNELL R. HOLLY, 000–00–0000
MATTHEW J. HOLLY, 000–00–0000
JOHN C. HOPKINS, 000–00–0000
ANDREW W. HOSPODAR, 000–00–0000
DANIEL H. HOUSEWORTH, 000–00–0000
MARK C. HOUSTON, 000–00–0000
ANDREW T. HOWARD, 000–00–0000
NATHAN P. HUBER, 000–00–0000
SAMUEL F. HUDSON, 000–00–0000
JASON T. HULL, 000–00–0000

JASON C. HUTTON, 000–00–0000
BENJAMIN E. HWANG, 000–00–0000
WONG J. HWANG, 000–00–0000
ANTHONY S. IASSO, 000–00–0000
SHERWOOD K. IIDA, 000–00–0000
KYU B. IM, 000–00–0000
BRIAN A. IVIE, 000–00–0000
DEMARIS B. JACKSON, 000–00–0000
BRUCE A. JAGGARD, 000–00–0000
GENE Y. JAHNG, 000–00–0000
JEFFREY P. JAJACK, 000–00–0000
MICHAEL A. JAMES, 000–00–0000
NATHAN P. JANYSEK, 000–00–0000
MICHAEL D. JASON, 000–00–0000
SHARON A. JEFFERIES, 000–00–0000
JOEL M. JENSEN, 000–00–0000
JON M. JEPKO, 000–00–0000
MATTHEW A. JESOP, 000–00–0000
JOHN A. JETTINGHOFF, 000–00–0000
JAMES W. JOHNG, 000–00–0000
KEVIN M. JOHNSON, 000–00–0000
MARK C. JOHNSON, 000–00–0000
MARK D. JOHNSON, 000–00–0000
JENNIFER A. JOHNSTON, 000–00–0000
PAUL D. JOHNSTON, 000–00–0000
TIGE A. JOHNSTON, 000–00–0000
DONDRA T. JOLLY, 000–00–0000
JUAN S. JONES, 000–00–0000
EUSI M. JORDAN, 000–00–0000
MARCO A. JUAREZ, 000–00–0000
THOMAS G. JUETTEN, 000–00–0000
EDUARDO A. JUGUETA, 000–00–0000
JONG H. JUN, 000–00–0000
EDWARD A. JUST III, 000–00–0000
AARON J. JUSTICE, 000–00–0000
LUCAS D. KAGEL, 000–00–0000
CYNTHIA M. KANIS, 000–00–0000
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NOAH F. WEBSTER, 000–00–0000
ALEX L. WEHMEYER, 000–00–0000
AARON P. WEHRENBERG, 000–00–0000
DANIEL C. WEISS, 000–00–0000
JAMES R. WEST, 000–00–0000
DAVID B. WESTLAKE IV, 000–00–0000
GARTH A. WHITACRE, 000–00–0000
JACKIE L. WHITE II, 000–00–0000
JUSTIN M. WHITE, 000–00–0000
STEPHANI T. WHITE, 000–00–0000
SUZIN J. WHITTEN, 000–00–0000
PETER J. WICKERSHAM, 000–00–0000
ROCCO T. WICKS, 000–00–0000
LUTHER R. WIEST, 000–00–0000
JUSTIN P. WILCOX, 000–00–0000
DENNIS G. WILLE, 000–00–0000
DANNY J. WILLIAMS, 000–00–0000
KIRK L. WILLIAMS, 000–00–0000
MICHAEL O. WILLIAMS, 000–00–0000
MICHAEL T. WILLIAMS, 000–00–0000
SEAN C. WILLIAMS, 000–00–0000
YOUNGA WILLIAMS, 000–00–0000
WESLEY J. WILLIAMSON, 000–00–0000
GAIL E. WILSON, 000–00–0000
MATTHEW W. WINERITER, 000–00–0000
MEREDITH C. WINKLE, 000–00–0000
JAMES A. WITHAM, 000–00–0000
JAMISON R. WOLOCKO, 000–00–0000
SUNG H. WON, 000–00–0000
BRIAN V. WOOD, 000–00–0000
JAMES P. WORK, 000–00–0000
BRIAN K. WORTINGER, 000–00–0000
BRIAN M. WRAY, 000–00–0000
JASON C. WRIGHT, 000–00–0000
JOSHUA M. WYATT, 000–00–0000
MELISSA M. WYKA, 000–00–0000
JAMES R. WYNKOOP, 000–00–0000
LEO J. WYSZYNSKI, 000–00–0000
CHONG H. YIM, 000–00–0000
DUNN YOSHITANI, 000–00–0000
CHRISTOP J. YOUNG, 000–00–0000
KENNETH L. YOUNG, 000–00–0000
JONATHAN I. YUN, 000–00–0000
MARK A. YURKO, 000–00–0000
BRIGITTE J. YUSKIS, 000–00–0000
MICHAEL R. ZAHURANIC, 000–00–0000
THAD D. ZAK, 000–00–0000
CLAUDIA ZAVALA, 000–00–0000
AARON M. ZELHART, 000–00–0000
ROBERT J. ZEUNIK, 000–00–0000
ANDREW S. ZIESENISS, 000–00–0000
DAVID J. ZINN, 000–00–0000
MICHAEL Z. ZIZZA, 000–00–0000
JEB S. ZOLLER, 000–00–0000

THE FOLLOWING NAMED RESERVE OFFICER'S TRAINING CORPS CADETS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, IN THE GRADE OF SECOND LIEUTENANT, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533:

ROBERT K. AAS, 000–00–0000
JOYCE A. ABALOS, 000–00–0000
ALISSA R. ACKLEY, 000–00–0000
RALPH G. ADAM, 000–00–0000
BRIAN L. ADAMS, 000–00–0000
JENNIFER L. ADAMS, 000–00–0000
THOMAS L. ADAMS, JR., 000–00–0000
JENNIFER J. ADDINGTON, 000–00–0000
JONATHAN T. ADKINS, 000–00–0000
PAUL E. AHERN, 000–00–0000
SCOT T. AIDT, 000–00–0000
JOHN D. AIMONE, 000–00–0000
TRISTAN N. AITKEN, 000–00–0000
THOMAS S. AKIN, 000–00–0000
PHILIP A. ALBANEZE, 000–00–0000
JON M. ALBARELLI, 000–00–0000
BETANCOURT E. ALEMAN, 000–00–0000
ANTHONY J. ALFIDI, 000–00–0000
DANIEL D. ALIX, 000–00–0000
DAVID S. ALLEN, 000–00–0000
MICHAEL C. ALLEN, 000–00–0000
SCOTLAND C. ALLEN, 000–00–0000
EDWARD W. ALLISON, JR., 000–00–0000
JOSEPH ALONSO, 000–00–0000
J. AMUNDSON, 000–00–0000
BRIAN E. ANDERSON, 000–00–0000
CHERYL L. ANDERSON, 000–00–0000
JAMES C. ANDERSON, JR., 000–00–0000
JOHN P. ANDERSON, 000–00–0000
KIMBERLY M. ANDERSON, 000–00–0000
ROBERT R. ANDERSON, 000–00–0000
TANYA S. ANDERSON, 000–00–0000
NIKOLAI L. ANDRESKY, 000–00–0000
PATRICK ANTONIKOWSKI, 000–00–0000
DAVID F. ANZALDO, 000–00–0000
BETHANY C. ARAGON, 000–00–0000
JOEL R. ARELLANO, 000–00–0000
DAVID S. ARMSTRONG II, 000–00–0000
JOHN T. ARMSTRONG, 000–00–0000
PAUL C. ARMSTRONG, 000–00–0000
WILLIE L. ARMSTRONG, 000–00–0000
VICKI L. ARNESON, 000–00–0000
ARIC N. ARNOLD, 000–00–0000
JASON L. ARNOLD, 000–00–0000
SHAWN W. ASCHAN, 000–00–0000
KENNETH S. ATES, 000–00–0000
GEOFFREY P. ATHEY, 000–00–0000
DENNIS R. ATKINS III, 000–00–0000
FAITH C. ATKINSON, 000–00–0000
JANET L. ATKINSON, 000–00–0000
GERALD AVILA, 000–00–0000
CHRISTOPHER M. AYCOCK, 000–00–0000
JAMES A. AZINGER, 000–00–0000
MELANIE E. BABB, 000–00–0000
JOEL D. BABBITT, 000–00–0000
JOHN T. BAGGS, 000–00–0000
JAMES E. BAGLEY, 000–00–0000
JASON B. BAGLEY, 000–00–0000
ANNE C. BAILEY, 000–00–0000
HUGH H. BAILEY, 000–00–0000
SCOTT J. BAILEY, 000–00–0000
VINCENT P. BAILEY, 000–00–0000
DEAN R. BAIN, 000–00–0000
DARIEN L. BAISLEY, 000–00–0000
MICHELLE S. BAJCSI, 000–00–0000
JASON E. BAKER, 000–00–0000
JIMMY G. BAKER, 000–00–0000
JOHN K. BAKER, 000–00–0000
PATRICK J. BAKER, 000–00–0000
JOHN D. BALBACH, 000–00–0000
CRAIG A. BALLARD, 000–00–0000
ANDREW W. BALLENGER, 000–00–0000
THOMAS M. BALLENGER III, 000–00–0000
DELBERT J. BANCROFT II, 000–00–0000
FREDRICK L. BARBER, 000–00–0000
JOHN H. BARBER, 000–00–0000
THOMAS J. BARKER, 000–00–0000
PAOLO M. BARLETTAI, 000–00–0000
LESLIE A. BARNETT, 000–00–0000
MAURICE BARNETT, 000–00–0000
STEPHEN W. BARNETT, 000–00–0000
MAREN P. BARNEY, 000–00–0000
TERRANCE D. BARR, 000–00–0000
THOMAS J. BARRETT, 000–00–0000
JENNIFER J. BARRIE, 000–00–0000
LISA M. BARTEL, 000–00–0000
AUTUMN H. BASINGER, 000–00–0000
CHRISTOPHER H. BASS, 000–00–0000
NICHOLAS A. BASS, 000–00–0000
BASSEY E. BASSEY III, 000–00–0000
BRETT A. BASSINGER, 000–00–0000
TERESA L. BATIK, 000–00–0000
BRYAN K. BATSON, 000–00–0000
RANDALL G. BAUCOM, 000–00–0000
ANTHONY C. BAUER, 000–00–0000
ERIC A. BAUS, 000–00–0000
FORREST C. BEADLE, 000–00–0000
JON P. BEALE, 000–00–0000
DEREK G. BEAN, 000–00–0000
BRADLEY M. BEAUVAIS, 000–00–0000

JEFFREY A. BECKER, 000–00–0000
JOHN R. BECKHAM, 000–00–0000
JOHN C. BECKING, 000–00–0000
STEVEN M. BEECHAM, 000–00–0000
RONALD R. BEER, 000–00–0000
CORY B. BEILHARZ, 000–00–0000
RALPHAEL R. BELL, JR., 000–00–0000
CHRISTOPHER G. BENDA, 000–00–0000
JASON M. BENDER, 000–00–0000
DANIEL J. BENICK, 000–00–0000
ANTHONY F. BENINI, 000–00–0000
RICHARD C. BENNETT, 000–00–0000
JAMES K. BENSON, 000–00–0000
REBECCA K. BENSON, 000–00–0000
ROBERT S. BERG, 000–00–0000
ERIC A. BERGANTZ, 000–00–0000
JEREMY R. BERNADEAU, 000–00–0000
CURTIS W. BERNU, 000–00–0000
JASON R. BERRISFORD, 000–00–0000
DWIGHT R. BERRY, 000–00–0000
PATRICK J. BERRY, 000–00–0000
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JOHN M. BETTENCOURT, 000–00–0000
KEVIN C. BILLMANN, 000–00–0000
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FREDERICK R. BISCHOFF, 000–00–0000
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KRISTIE A. BLANEY, 000–00–0000
SHAWN B. BLANKENSHIP, 000–00–0000
TIFFANY L. BLAUVELT, 000–00–0000
KEVIN D. BLAXTON, 000–00–0000
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JASON B. BLEVINS, 000–00–0000
LANCE E. BOMBARD, 000–00–0000
LEONARD A. BORNINO, 000–00–0000
JOSEPH W. BOSCIA, 000–00–0000
MATEJ BOSNJAK, 000–00–0000
CRAIG P. BOSTON, 000–00–0000
LYNNE R. BOSTWICK, 000–00–0000
JESUS E. BOTELLO, 000–00–0000
JEFFREY R. BOULTER, 000–00–0000
WADE R. BOVARD, 000–00–0000
DENNIS BOWERS, 000–00–0000
ANTHONY R. BOWMAN, 000–00–0000
ERIK B. BOWMAN, 000–00–0000
SCOTT D. BOYINGTON, 000–00–0000
KEVIN L. BRADFORD, 000–00–0000
RACHEL A. BRADLEY, 000–00–0000
JAMES D. BRADSHAW, JR, 000–00–0000
MATTHEW W. BRAMAN, 000–00–0000
WILLIAM P. BRAMAN, 000–00–0000
JEFFREY G. BRAMLETT, 000–00–0000
TIMOTHY C. BRAND, 000–00–0000
CHERYL R. BRANDT, 000–00–0000
SHALONDA E. BRAZZELL, 000–00–0000
MICHAEL C. BRENNAN, 000–00–0000
ALEXANDER K. BRENNER, 000–00–0000
CHRISTOPHER A. BREWSTER, 000–00–0000
MEREDITH C. BRICE, 000–00–0000
RODNEY O. BRIGGMAN, 000–00–0000
JOSETTE S. BRODHEAD, 000–00–0000
MICHAEL W. BROKOPP, 000–00–0000
CONWAY W. BROOKS, 000–00–0000
BOBBY J. BROOKSHIRE, 000–00–0000
GREGORY E. BROWDER, 000–00–0000
DESHAUN M. BROWN, 000–00–0000
ERIC L. BROWN, 000–00–0000
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LEONARD W. BROWN III, 000–00–0000
WILLIAM J. BROWN, 000–00–0000
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ANTHONY L. BRUSLETTEN, 000–00–0000
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PATRICIA L. BUCKLEY, 000–00–0000
VINCENT J. BUKOWSKI, 000–00–0000
CHARLES R. BURNETT, 000–00–0000
NATE W. BURNETT, 000–00–0000
LEANN BURNS, 000–00–0000
LARRY Q. BURRIS, JR., 000–00–0000
DONALD L. BURTON, 000–00–0000
ERNEST BURTON, JR., 000–00–0000
JAMES A. BUSHNELL, 000–00–0000
MARC BUSTAMANTE, 000–00–0000
JOHN A. BUTORA, JR., 000–00–0000
SHELDON A. BUTTS, 000–00–0000
PHUC BUU, 000–00–0000
ROBERT A. CALMES, 000–00–0000
JENNIFER L. CAMPBELL, 000–00–0000
GREGORY J. CANCILLA, 000–00–0000
LANCE CANGELOSI, 000–00–0000
JAMES J. CANNON, 000–00–0000
JULIE L. CAPLES, 000–00–0000
MARC B. CAPPELLINI, 000–00–0000
TRANG T. CARDEIRO, 000–00–0000
TODD T. CARDIFF, 000–00–0000
DAVID F. CAREY, 000–00–0000
JEFFERY D. CARFAGNA, 000–00–0000
MICHAEL A. CARGILL, 000–00–0000
SHERRI L. CARL, 000–00–0000
HEATHER J. CARLISLE, 000–00–0000
BARRY R. CARLSON, JR., 000–00–0000
SEAN D. CARNEY, 000–00–0000
ANNE C. CARROLL, 000–00–0000
ADAM J. CARSON, 000–00–0000
STACY R. CARTER, 000–00–0000
CULLEN CASE, 000–00–0000
RENNE CASTRO, 000–00–0000
GARY R. CATLIN, 000–00–0000
ANGELA C. CAVE, 000–00–0000
FRANK D. CERESKA, 000–00–0000
JEFFREY P. CHAMBERLAIN, 000–00–0000
ANDREW S. CHAPIN, 000–00–0000
ROSS W. CHARTON, 000–00–0000
NANCY E. CHAVEZ, 000–00–0000
BRYAN L. CHEEK, 000–00–0000
DERRICK W. CHENG, 000–00–0000
ERIC T. CHILGREN, 000–00–0000
EUGENE J. CHRISTEN III, 000–00–0000
DEREK P. CHRISTENSEN, 000–00–0000
JAKE A. CHRISTENSEN, 000–00–0000
JON F. CHRISTIANSEN, 000–00–0000
COREEN A. CHRISTOPHER, 000–00–0000
CHAD M. CHRISTOPHERSEN, 000–00–0000
JAE W. CHUNG, 000–00–0000
BLANE C. CLARK, 000–00–0000
DEENA J. CLARK, 000–00–0000
JERRY D. CLARK, 000–00–0000
SCOTT C. CLARK, 000–00–0000
DAVID H. CLARY, 000–00–0000
JAMES D. CLAY, 000–00–0000
JAMES L. CLIFT, 000–00–0000
JENNIFER D. CLINE, 000–00–0000
MARC A. CLOUTIER, 000–00–0000
DANIEL W. CLOYD, 000–00–0000
VANESSA E. COCHRAN, 000–00–0000
CHRISTOPHER B. COCHRANE, 000–00–0000
JEAN C. COGER, 000–00–0000
ELIZABETH P. COLEMAN, 000–00–0000
MICHAEL D. COLEMAN, 000–00–0000
AARON K. COLLINS, 000–00–0000
RICHARD C. COLLINS, 000–00–0000
THOMAS E. COLLINS III, 000–00–0000
PATRICK T. COLLOTON, 000–00–0000
MOJICA A. COLON, 000–00–0000
KEVIN D. COLTON, 000–00–0000
BLAINE L. COLVIN, 000–00–0000
KEVIN A. COMFORT, 000–00–0000
CHRISTOPHER D. COMPTON, 000–00–0000
GABRIELLE K. CONLEY, 000–00–0000
ROBERT J. COOK, 000–00–0000
KELVIN K. COOPER, 000–00–0000
BRIAN A. COPE, 000–00–0000
ERIC M. COPELAND, 000–00–0000
LAWRENCE E. CORNETT, 000–00–0000
TRAVIS W. CORNETT, 000–00–0000
ALABARCES O. COSME, 000–00–0000
PHILIP J. COTTER, 000–00–0000
JONATHAN M. COULL, 000–00–0000
SEAN F. COUNIHAN, 000–00–0000
LAWRENCE M. COUSINS, 000–00–0000
WILLIAM J. COWELL, 000–00–0000
PATRICIA K. COWPERTHWAIT, 000–00–0000
A. J. COX, 000–00–0000
DANIEL C. COX, 000–00–0000
TODD C. COX, 000–00–0000
WALTER F. COX, 000–00–0000
DALE S. CROCKETT, 000–00–0000
ROGER A. CROMBIE III, 000–00–0000
EDWARD C. CROOT, 000–00–0000
IRVING H. CROSS, JR., 000–00–0000
LORI CRUFF, 000–00–0000
MATOS K. CRUZ, 000–00–0000
BETTY S. CUMMISKEY, 000–00–0000
DOUGLAS J. CUNNINGHAM, 000–00–0000
LILLIAN A. CUNNINGHAM, 000–00–0000
HOWARD L. CURLIN, 000–00–0000
DANIEL J. CURTIS, 000–00–0000
WARREN T. CUSICK, 000–00–0000
EDWARD J. DAFFRON, 000–00–0000
ERIK C. DAHL, 000–00–0000
TIMOTHY G. DALTON, 000–00–0000
KERRY A. DAMMEN, 000–00–0000
BRIAN K. DAMPIER, 000–00–0000
RUSSELL S. DANIS, 000–00–0000
LYLE T. DARRAH, 000–00–0000
JOHN W. DAVID, 000–00–0000
AMY E. DAVIDSON, 000–00–0000
BRIAN S. DAVIS, 000–00–0000
CORY E. DAVIS, 000–00–0000
DEXTER B. DAVIS, 000–00–0000
JAMAL D. DAVIS, 000–00–0000
JEFFREY C. DAVIS, 000–00–0000
JOHN P. DAVIS, 000–00–0000
JUSTIN H. DAVIS, 000–00–0000
MARCYA H. DAVIS, 000–00–0000
MICHAEL A. DAVIS, 000–00–0000
ROBERT S. DAVIS, 000–00–0000
SCOTT A. DAVIS, 000–00–0000
RICHARD C. DAVY, 000–00–0000
LEONARD A. DAYER, JR, 000–00–0000
KEVER A. DE, 000–00–0000
AARON L. DECELLE, 000–00–0000
JOSEPH F. DECOSTA, 000–00–0000
BETHANNE DEDOMINICI, 000–00–0000
JACQUELINE R. DEMPSEY, 000–00–0000
DEAN H. DENTER, 000–00–0000
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RONALD M. DESJARDIN, 000–00–0000
DAVID J. DESJARDINS, 000–00–0000
GREGORY K. DESMOND, 000–00–0000
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NICHOLAS G. DEVRIES, 000–00–0000
RUSSELL A. DEVRIES, 000–00–0000
KELLY M. DICKERSON, 000–00–0000
RYAN S. DILLON, 000–00–0000
DAVID S. DINKELMAN, 000–00–0000
JAMES W. DION, 000–00–0000
DOCK L. DIRE, 000–00–0000
CLAYTON R. DITMORE, 000–00–0000
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BRAD L. DOBOSZENSKI, 000–00–0000
JOHN R. DOELLER, 000–00–0000
KIM M. DOHERTY, 000–00–0000
JOHN M. DOLINA, 000–00–0000
JULIAN A. DOMINGUEZ, 000–00–0000
TIMOTHY J. DONCHEZ, 000–00–0000
JOHN P. DONLEY, 000–00–0000
PATRICK K. DONOVAN, 000–00–0000
JAMES R. DOOLEY, 000–00–0000
KENNETH J. DORIO, 000–00–0000
SHANNON W. DOTSON, 000–00–0000
MICHAEL J. DOUGHERTY, 000–00–0000
BRYAN M. DOUGLAS, 000–00–0000
MICHAEL A. DOUGLAS, 000–00–0000
CHARLES P. DOWNIE, 000–00–0000
MARTA L. DOWNING, 000–00–0000
RANDY D. DRAPER, 000–00–0000
SCOTT F. DREIBELBIS, 000–00–0000
KATHERINE J. DRISCOLL, 000–00–0000
GLEN R. DRYSDALE, 000–00–0000
STEPHANIE E. DUCKWORTH, 000–00–0000
THOMAS M. DUCKWORTH II, 000–00–0000
FREDERICK J. DUFAULT, 000–00–0000
CHARLES J. DUGLE, 000–00–0000
JASON P. DUNAWAY, 000–00–0000
RICHARD A. DUNBAR, 000–00–0000
AARON K. DUNCAN, 000–00–0000
PETER S. DUNN, 000–00–0000
RICHARD L. DUNTON, 000–00–0000
LUIS A. DUPERON, 000–00–0000
BRADFORD T. DUPLESSIS, 000–00–0000
DENNIS V. DUPRAS, 000–00–0000
TIMOTHY D. DURHAM, 000–00–0000
SCOTT F. DURISH, 000–00–0000
SEAN P. DUVALL, 000–00–0000
SEAN M. DYER, 000–00–0000
THOMAS S. EARNHARDT, 000–00–0000
MARY T. EBERST, 000–00–0000
JOSEPH P. EDGER, 000–00–0000
JAMES F. EDMONDS, 000–00–0000
MICHAEL T. EDMONDSON, 000–00–0000
EDWIN F. EDMUNDS III, 000–00–0000
DANIEL H. EDWAN, 000–00–0000
DEYNEL M. EDWARDS, 000–00–0000
JONATHAN A. EDWARDS, 000–00–0000
PAUL G. EDWARDS, 000–00–0000
MICHELLE EISEN, 000–00–0000
EDWARD D. ELDRIDGE, 000–00–0000
MICHAEL C. ELKINS, 000–00–0000
AARON R. ELLIOTT, 000–00–0000
DANIEL L. ELLIOTT, 000–00–0000
AARON W. ELLIS, 000–00–0000
RANDY L. ELLSWORTH, 000–00–0000
JOHN E. ELRICH, 000–00–0000
BRENT A. ELROD, 000–00–0000
ALLEN C. ENGEL, 000–00–0000
ROBERT A. ERICKSON, 000–00–0000
JASON L. ERWIN, 000–00–0000
VINA A. ESCOTAL, 000–00–0000
JOSEPH ESPINOZA, 000–00–0000
SHANNON ESPINOZA, 000–00–0000
MICHAEL L. ESSARY, 000–00–0000
TRACY S. ESTES, 000–00–0000
CASTRO M. ESTRADA, 000–00–0000
CARRIE L. EVANS, 000–00–0000
CHARLES D. EVANS, 000–00–0000
EDWARD R. EVANS, 000–00–0000
MATTHEW J. EVANS, 000–00–0000
EDWARD V. EVE, JR, 000–00–0000
JASON A. EVERS, 000–00–0000
EVAN C. EWACHIW, 000–00–0000
JENNIFER L. FADELEY, 000–00–0000
LANCE D. FADELEY, 000–00–0000
DAVID E. FAIRRINGTON, 000–00–0000
PETER W. FARRELL, 000–00–0000
WADE N. FAULKNER, 000–00–0000
MICHAEL J. FAZIO, 000–00–0000
RYAN D. FEARNOW, 000–00–0000
ERIC M. FEENEY, 000–00–0000
ERIC B. FEGLEY, 000–00–0000
TAWNYA S. FEIEREISEN, 000–00–0000
COLKETA L. FEIMSTER, 000–00–0000
KURT P. FELDMANN, 000–00–0000
CASILLAS A. FELICIANO, 000–00–0000
ERICH FELLENZ, 000–00–0000
ERICH T. FELPS, 000–00–0000
LETITIA L. FELTON, 000–00–0000
CHRISTINE M. FERGUSON, 000–00–0000
MATTHEW J. FESTA, 000–00–0000
MONIQUE N. FIELDS, 000–00–0000
JUSTIN S. FIEW, 000–00–0000
RONALD P. FITCH, 000–00–0000
MICHAEL C. FITZGERALD, 000–00–0000
MICHAEL P. FLAHERTY, 000–00–0000
CHRISTOPHER B. FLETCHER, 000–00–0000
YUNG V. FOLLIS, 000–00–0000
ANTHONY O. FONTES, JR., 000–00–0000
PATRICK D. FORBES, 000–00–0000
CHRISTOPHER A. FORD, 000–00–0000
DEMENIAN A. FORD, 000–00–0000
RICHARD E. FORD, JR., 000–00–0000
SUSAN E. FORSBERG, 000–00–0000
LEONA R. FOSTER, 000–00–0000
GLEN W. FOX, 000–00–0000
ALRIC L. FRANCIS, 000–00–0000
IAN E. FRANCIS, 000–00–0000
TERRY L. FRANCKHAUSER, 000–00–0000
MICHAEL A. FRANK, 000–00–0000
RONALD L. FRANKLIN, JR., 000–00–0000
BRETT A. FREEDMAN, 000–00–0000
JEFFREY A. FREY, 000–00–0000
DEAN A. FRISOLI, 000–00–0000
MARK D. FRITSCHE, 000–00–0000
LYNN C. FRONCK, 000–00–0000
KATHERINE E. FROST, 000–00–0000
JAMES P. FUNK, 000–00–0000
DONOVAN O. FUQUA, 000–00–0000
WILLIAM T. FUTCH, 000–00–0000
DAVID P. GAFNEY, 000–00–0000
PHILLIP K. GAGE, 000–00–0000

MATTHEW B. GALINGER, 000–00–0000
PAUL V. GANNON, 000–00–0000
WILLIAM B. GARBER III, 000–00–0000
ROBERT A. GARCIA, 000–00–0000
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EVAN A. LECKLIDER, 000–00–0000
THEODORE J. LECOUFFE, 000–00–0000
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VICTORIA LEEMERROW, 000–00–0000
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VERNON A. LEWIS, 000–00–0000
KUANG Y. LI, 000–00–0000
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SARAH A. LOGAN, 000–00–0000
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MARK L. STODDARD, 000–00–0000
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MERYIA D. WINDISCH, 000–00–0000
JAMES H. WINFIELD, 000–00–0000
GARTH K. WINTERLE, 000–00–0000
JASON M. WINTERLE, 000–00–0000
MICHAEL E. WISHER, 000–00–0000
JOHN M. WITHERS, 000–00–0000
MICHAEL WITMER, 000–00–0000
PHILLIP E. WOLFORD, 000–00–0000
WARREN R. WOOD, 000–00–0000
JOHN A. WOODARD, 000–00–0000
JENNIFER A. WOODWORTH, 000–00–0000
BRIAN D. WOOLWORTH, 000–00–0000
COLIN H. WOOTEN, 000–00–0000
DAMIAN P. WRIGHT, 000–00–0000
DAVIE L. WRIGHT, JR., 000–00–0000
JAMES W. WRIGHT, 000–00–0000
MEGAN A. WRIGHT, 000–00–0000
KARYN J. WUENSCH, 000–00–0000
NATHAN YANCY, 000–00–0000
HOMAYUN YAQUB, 000–00–0000
RICHARD S. YOCUM, 000–00–0000
ELLEN R. YODER, 000–00–0000
JOHN B. YORKO, 000–00–0000
RODNEY R. YOUNG, 000–00–0000
TONYA E. YOUNG, 000–00–0000
CHARLES D. ZIMMERMAN, JR., 000–00–0000
RAYMOND C. ZINDELL, 000–00–0000
JASON C. ZORN, 000–00–0000
JANA N. ZUCKSWERT, 000–00–0000

THE FOLLOWING NAMED DISTINGUISHED HONOR GRADUATES FROM THE OFFICER CANDIDATE SCHOOL FOR APPOINTMENT IN THEIR ACTIVE DUTY GRADE IN THE REGULAR ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533:

To be second lieutenant

RONALD G. HAMILTION, 000–00–0000
ROBERT W. KINDER, 000–00–0000

THE FOLLOWING NAMED OFFICERS FROM JUDGE ADVOCATE GENERAL'S CORPS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES IN THEIR ACTIVE DUTY GRADE, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533:

To be captain

HAL D. BAIRD, 000–00–0000
DRU A. BRENNER–BECK, 000–00–0000
JOHN L. BUCKHEIT, 000–00–0000
GUADALUPE CUELLAR, 000–00–0000
JOHN P. EINWECHTER, 000–00–0000
JAMES P. FLOWERS, 000–00–0000
VICTOR M. HANSEN, 000–00–0000
EDWARD J. MARTIN, 000–00–0000
JOHN P. PATRICK, 000–00–0000
ANNA C. SWALLOW, 000–00–0000
MICHELE E. WILLIAMS, 000–00–0000

IN THE NAVY

THE FOLLOWING NAMED SUPPLY CORPS OFFICER, TO BE REAPPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(A):

LINE

To be ensign

CARLTON L. JONES, 000–00–0000

THE FOLLOWING NAMED MEDICAL SERVICE CORPS OFFICER, TO BE REAPPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(A):

LINE

To be lieutenant (junior grade)

NICK A. SARAP, JR., 000–00–0000

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

LINE

To be lieutenant

THOMAS M. ADKINS, 000–00–0000
JOHN J. ADLER, 000–00–0000
JEFFREY R. ALEXANDER, 000–00–0000
MICHAEL R. ALEXANDER, 000–00–0000
MICHAEL J. ANDERSON, 000–00–0000
RONALD P. ANTIMARINO, 000–00–0000
TANYA L. ANTONIUK, 000–00–0000
CHRISTOPHER A. ASHFORD, 000–00–0000
VERNON E. BAGLEY, 000–00–0000
THOMAS G. BAGNOLI, 000–00–0000
DANIEL E. BAHNEMAN, 000–00–0000
MARK C. BARRY, 000–00–0000
KENNETH R. BECKER, 000–00–0000
JEANNE M. BEERMAN, 000–00–0000
THOMAS E. BELL, 000–00–0000
PAUL T. BENNETT, 000–00–0000
DONALD A. BENSON, 000–00–0000
SHAWN M. BENTLEY, 000–00–0000
JAMES H. BENTON, 000–00–0000
JOHN G. BERNARD, 000–00–0000
KEVIN L. BERTELSEN, 000–00–0000
WILLIAM R. BERTRAM, 000–00–0000
ERIC P. BETHKE, 000–00–0000
KENNETH R. BINGMAN, JR., 000–00–0000
RUSSELL P. BIROS, 000–00–0000
JAMES A. BISHOP, 000–00–0000
PATRICK D. BLACKWELL, 000–00–0000
CARLA C. BLAIR, 000–00–0000
ROCK E. BLAIS, 000–00–0000
DARREL M. BLASCHAK, 000–00–0000
JAMES H. BOGUE, 000–00–0000
ROBERT G. BOJARSKI, 000–00–0000
BRIAN D. BOLUYT, 000–00–0000
RAYMOND L. BRADLEY III, 000–00–0000
RALPH R. BRAUND III, 000–00–0000
WILLIAM D. BRELAND, 000–00–0000
MICHAEL J. BRENNAN, 000–00–0000
THOMAS J. BRERETON, JR., 000–00–0000
BENJAMIN H. BRESLIN, 000–00–0000
CECIL C. BRIDGES, 000–00–0000
GRANT A. BRIGGER, 000–00–0000
RODNEY A. BROWER, 000–00–0000
BRIAN W. BROWN, 000–00–0000
ZACHARY J. BROZ, 000–00–0000
TIMOTHY G. BRUCE, 000–00–0000
SAMUEL C. BUCHANAN III, 000–00–0000
AMY D. BURIN, 000–00–0000
EMMANUEL L. BURKE, 000–00–0000
DANIEL BURNS, 000–00–0000
SUSAN T. BURNS, 000–00–0000
MICHAEL J. BURRELL, 000–00–0000
ALAN F. BURTON, 000–00–0000
THOMAS K. BUSH, 000–00–0000
DERRICK J. BUSSE, 000–00–0000
THOMAS C. CALVERT, 000–00–0000
RUBEN A. CANTU, 000–00–0000
MARC CARDARONELLA, 000–00–0000
ROBERT B. CARLSON, 000–00–0000
CAMERON P. CARNEY, 000–00–0000
LUKE F. CARON, 000–00–0000
BUFORD J. CARR, 000–00–0000
EDWARD B. CARROLL, JR., 000–00–0000
PEDRO A. CASTAING, 000–00–0000
RICHARD A. CATHERINA, 000–00–0000
VINCENT K. CATICH, 000–00–0000
ELEFTHERIOS, CHAPAS, 000–00–0000
CHRISTOPHER CHINMAN, 000–00–0000
GREGORY S. CLARK, 000–00–0000
MICHAEL W. CLARK, 000–00–0000
WARREN G. CLARK, 000–00–0000
KEVIN D. COFFINGER, 000–00–0000
HEATHER E. COLE, 000–00–0000
KEVIN P. COLLING, 000–00–0000
CRAIG M. COLLINS, 000–00–0000
GREGGORY N. COLLINS, 000–00–0000
TIMOTHY R. COLLINS, 000–00–0000
GEOFFREY T. COLPITTS, 000–00–0000
JOHN P. CONSIDINE, 000–00–0000
CHRISTOPHER M. COOK, 000–00–0000
JAMES H. CRAFT, 000–00–0000
DOUGLAS J. CRAWFORD, 000–00–0000
RONALD D. CRAWFORD, 000–00–0000
JAMES J. CRITTENDEN, 000–00–0000
DAVID R. CROWE, 000–00–0000
JOANNE T. CUNNINGHAM, 000–00–0000
DARRIN R. DAVIDSON, 000–00–0000
BRIAN F. DAVIS, 000–00–0000
DAVID N. DAVIS, 000–00–0000
RICHARD W. DAVIS, 000–00–0000
SMET A.T. DE, 000–00–0000
WILLIAM L.J. DEANES, 000–00–0000
SUSAN K. DECKER, 000–00–0000
JOHN D. DEEHR, 000–00–0000
RUSSELL J. DELANEY, 000–00–0000
ANDREW W. DELEY, 000–00–0000
MARK F. DEMERS, 000–00–0000
LISA A. DEROSE, 000–00–0000
DUKE E. DIETZ, 000–00–0000
KAMRAN A. DIL, 000–00–0000
THOMAS C. DILLEMUTH, 000–00–0000
SCOTT M. DIX, 000–00–0000
JOHN M. DONOVAN, 000–00–0000
ROBERT F. DOWNING, JR., 000–00–0000
SHARON S. DOXEY, 000–00–0000
TIMOTHY R. DOYLE, 000–00–0000
CRAIG W. DRESCHER, 000–00–0000
JEFFREY B. DRINKARD, 000–00–0000
TIMOTHY E. DRY, 000–00–0000
SAM C. DRYDEN, 000–00–0000
TERRENCE P. DUNNE, 000–00–0000
ALAN R. DUNSTON, 000–00–0000
CAROLYNNE M. DURANTHALL, 000–00–0000
KIMBERLY A. DYSON, 000–00–0000
JULIAN D. EDGE III, 000–00–0000
SHAWN T. EDWARDS, 000–00–0000
PAUL F. EICH, 000–00–0000
NELS S. ENBERG, 000–00–0000
JUDY M. ENGLAND, 000–00–0000
JAMES M. ESQUIVEL, 000–00–0000
COLEY L. EVANS, 000–00–0000
SPENCER L. EVANS, 000–00–0000
MARY E. FELIX, 000–00–0000
MARCI D. FERRELL, 000–00–0000
JAMES E. FIELDS, 000–00–0000
KORY R. FIERSTINE, 000–00–0000
CHRISTOPHER M. FINCH, 000–00–0000
JACQUELINE R. FINCH, 000–00–0000
WILLIAM D. FINCH, 000–00–0000
MARK E. FLEMING, 000–00–0000
THOMAS G. FLETCHER, 000–00–0000
ALFRED E.FLORES, 000–00–0000
MARK A. FONDREN, 000–00–0000
CURTIS A. FORD, 000–00–0000
SEAN P. FOX, 000–00–0000
ANN M. FUHRING, 000–00–0000
GREGORY B. GALLARDO, 000–00–0000
MARIE G. GALVIN, 000–00–0000
LAWRENCE M. GARCIA, 000–00–0000
DAVID V. GARZA, 000–00–0000
EMMET S. GATHRIGHT, 000–00–0000
ROBERT B. GEDDES, 000–00–0000
JASON L. GEIGER, 000–00–0000
JOSEPH A. GENTILE, 000–00–0000
JEFFREY T. GIBSON, 000–00–0000
MARK S. GOODALE, 000–00–0000
ROBERT M. GORDON, 000–00–0000
MICHAEL J. GOSKA, 000–00–0000
CARY E. GOSNEY, 000–00–0000
JEFFREY G.GRAP, 000–00–0000
OBRA L. GRAY, 000–00–0000
CHRISTOPHER J. GREW, 000–00–0000
ROBERT E. GRIFFITH, 000–00–0000
RICHARD T.GRINT, 000–00–0000
JESUS A. GUERRERO, 000–00–0000
JAMES M. HAAS, 000–00–0000
CALVIN L. HAGOOD III, 000–00–0000
ZYAD HAJO, 000–00–0000
TIMOTHY L. HALL, 000–00–0000
DAVID R. HALLSTROM, 000–00–0000
JOHN H. HALTOM, 000–00–0000
DANIEL E. HAMILTON, 000–00–0000
ROLF W. HAMMERER, 000–00–0000
THOMAS A. HAMRICK, 000–00–0000
PAUL T. HARASTY, 000–00–0000
JEFFREY M. HARBISON, 000–00–0000
STEPHEN M. HARRINGTON, 000–00–0000
TERRY M. HART, 000–00–0000
THOMAS M. HEIM, 000–00–0000
ROBERT E. HELMS, JR., 000–00–0000
JAMES R. HENDERSON, 000–00–0000
DANIEL P. HIGGINS, 000–00–0000
RONALD R. HIMMELREICH, 000–00–0000
ROBERT I. HOAR, JR., 000–00–0000
WAYNE E. HOLCOMB, 000–00–0000
FRANK O. HOLLEY, 000–00–0000
WAYNE A. HOLLISTER, 000–00–0000
TIMOTHY S. HOOVER, 000–00–0000
JEAN A. HOPWOOD, 000–00–0000
KEITH W. HOSKINS, 000–00–0000
DONALD L. HULTEN, 000–00–0000
GARY L. HUMPHRIES, 000–00–0000
MICHAEL H. JOHANSSON, 000–00–0000
BRENT A. JOHNSON, 000–00–0000
BRENT L. JOHNSON, 000–00–0000
BENJAMIN E. JONES, 000–00–0000
ROBERT E. KALIN, JR., 000–00–0000
BRIAN G. KELLY, 000–00–0000
STEVE Y. KIM, 000–00–0000
CHRISTOPHER C. KING, 000–00–0000
BRIAN R. KIPLE, 000–00–0000
MARK R. KIRBY, 000–00–0000
ARTHUR T. KIRCHHOFF, 000–00–0000
JOHN C. KISOR, 000–00–0000
JEFFREY S. KLEIN, 000–00–0000
RICHARD G. KLOPSTAD, 000–00–0000
BRADLEY S. KNOWLTON, 000–00–0000
GARY E. KOCHER, 000–00–0000
KENNETH J. KOONTZ, 000–00–0000
JOHN J. KOSINA, 000–00–0000
GRANT T. KOWALCHICK, 000–00–0000
KEITH A. KRAPELS, 000–00–0000
MELANIE J. KRECKOVSKY, 000–00–0000
DARRELL D. LACK, 000–00–0000
ROBERT S. LAEDLEIN, 000–00–0000
BENJAMIN K. LAKE, 000–00–0000
CHRISTOPHER F. LAMOUREAUX, 000–00–0000
JAMES L. LANE, JR., 000–00–0000
TIMOTHY X. LARSEN, 000–00–0000
KEVIN D. LAYE, 000–00–0000
TIMOTHY J. LEFEBVRE, 000–00–0000
JEFFREY B. LEHNERTZ, 000–00–0000
MICHAEL T. LENTS, 000–00–0000
STEVEN C. LEVERT, 000–00–0000
JEFFREY S. LEVIN, 000–00–0000
SCOTT M. LEWIS, 000–00–0000
PAUL E. LIPFORD, 000–00–0000
ROBERT E. LIVINGSTON, IV, 000–00–0000
STEPHEN E. LLOYD, 000–00–0000
RACHELLE F. LOGAN, 000–00–0000
CHRISTOPHER R. J. LONG, 000–00–0000
RUSSELL G. LONGLEY, 000–00–0000
LEO F. LOSCIUTO, 000–00–0000
TY E. LOUTZENHEISER, 000–00–0000
SUSANNE N. LUCKE, 000–00–0000
JAMES D. LUNSFORD, 000–00–0000
KEVIN D. MACDONALD, 000–00–0000
BRUCE A. MAIER, 000–00–0000
NICOLE L. MAISONNEUVE, 000–00–0000
DAVID B. MANSER, 000–00–0000
DAVID S. MANTAY, 000–00–0000
MICHAEL D. MAQUERA, 000–00–0000
JOHNNA M. MARCHANT, 000–00–0000
MARK D. MARISKA, 000–00–0000
ROBERT L. MARK II, 000–00–0000
BRIAN K. MARKS, 000–00–0000
DANIEL P. MARSHALL, 000–00–0000
ROBERT W. MARSHALL, 000–00–0000
MARCUS O. MARYK, 000–00–0000
ANTHONY W. MAYBRIER, 000–00–0000
GARY A. MAYES, 000–00–0000
KEVIN C. MC ALLISTER, 000–00–0000
EVERD D. MC CAIN, 000–00–0000
MICHAEL T. MC CLURE, 000–00–0000
ALLEN H. MC COY, 000–00–0000
GREGORY S. MC CREARY, 000–00–0000
ROBERT G.S. MC DONALD, 000–00–0000
JAMES T. MC GOVERN, 000–00–0000
JOHN J. MC GRATH III, 000–00–0000
KAREN B. MC GRAW, 000–00–0000
LARRY L. MC GUIRE, 000–00–0000
PAUL J. MC HENRY 000–00–0000
VAN S. MC KENNY, IV, 000–00–0000
TIMOTHY E. MC KENZIE, 000–00–0000
PAUL MC SWEENEY, 000–00–0000
BRADLEY P. MEEKS, 000–00–0000
JEFFREY A. MERCADO, 000–00–0000
MICHAEL H. MERRILL, 000–00–0000
SUSAN L. MERRIMAN, 000–00–0000
ERIK J. MILES, 000–00–0000
HENRY J. MILLER, 000–00–0000
JEFFREY L. MILLER, 000–00–0000
JAY R. MILLS, 000–00–0000
JOSEPH T. MOHNACS, 000–00–0000
TRACY S. MOON, 000–00–0000
JOHN R. MOORMAN, 000–00–0000
JANET F. MORALEZ, 000–00–0000
CLINTON J. MORANO, 000–00–0000
JAMES R. MORRISON, 000–00–0000
CRAIG M. MUNSEN, 000–00–0000
THOMAS G. MUNSON, 000–00–0000
KIMBERLY A. MURPHY, 000–00–0000
JOHN C. MUTCHLER, JR., 000–00–0000
PETER T. MUTTEL, 000–00–0000
ELIZABETH A. NASCHE, 000–00–0000
RICHARD M. NELMS, JR., 000–00–0000
MICHAEL A. NENNMANN, 000–00–0000
PAUL V. NEUZIL, 000–00–0000
WESLEY W. NICHOLSON, 000–00–0000
ALFRED A. NICOLL, 000–00–0000
JAMES D. NORDHILL, 000–00–0000
BARRY C. NORMAN, 000–00–0000
RHODY V. NORNBERG, 000–00–0000
YVONNE D. NORTON, 000–00–0000
MARK T. NOWICKI, 000–00–0000
KEVIN W. NUNEZ, 000–00–0000
NIGEL A. NURSE, 000–00–0000
JAMES K. OBRIEN, 000–00–0000
JOSEPH P. OBRIEN, 000–00–0000
JAMES G. O'CONNOR III, 000–00–0000
WILLIAM C. OLDHAM, 000–00–0000
JOSEPH OLIVER, 000–00–0000
BRADD C. OLSEN, 000–00–0000
JEFFREY W. OSMAN, 000–00–0000
ANTHONY L. PANG, 000–00–0000
DANIELLE PAOLUCCI, 000–00–0000
RICHARD C. PARKER, JR., 000–00–0000
ROBERT PARKER, JR., 000–00–0000
RONALD L. PARSLOW, 000–00–0000
DAVID W. PAYNE, 000–00–0000
GARY D. PENTON, 000–00–0000
CRAIG PEPPE, 000–00–0000
ROY A. PETERS, 000–00–0000
NICHOLAS PETRILLO, 000–00–0000

DENISE M. PETRUSIC, 000–00–0000
LEE V. PHILLIPS II, 000–00–0000
JERRY D. PIERCE, 000–00–0000
WILLIAM R. PINKLEY, 000–00–0000
HENRY E. PIZARRO, 000–00–0000
ROGER E. PLASSE, JR., 000–00–0000
RUDY A. PORTER, 000–00–0000
MICHAEL W. POSNER, 000–00–0000
KRISTIN C. POST, 000–00–0000
GARY W. PRALL, 000–00–0000
THOMAS E. PRICE, 000–00–0000
KEVIN J. PROTZMAN, 000–00–0000
ROBERT J. PUDLO, 000–00–0000
GERARD F. QUINLAN, 000–00–0000
CHARLES E. QUINTAS, 000–00–0000
MICHAEL A. RABE, 000–00–0000
PAUL A. RATKOVICH, 000–00–0000
DANIEL J. RAWN, 000–00–0000
JAMES C. REAMER, JR., 000–00–0000
MARK E. REYNOLDS, 000–00–0000
ROBERT M. RIGGS, 000–00–0000
MARTIN D. RIPPERGER, 000–00–0000
MICHAEL W. ROBBINS, 000–00–0000
CINDY M. RODRIGUEZ, 000–00–0000
DANIEL S. ROGERS, 000–00–0000
TIMOTHY P. ROLAND, 000–00–0000
RAUL X. ROSALES, 000–00–0000
FRANCES M. ROSARIO, 000–00–0000
MARC A. RZEPCZYNSKI, 000–00–0000
DAVID L. SAIKI, 000–00–0000
CHRISTOPHER M. SAINDON, 000–00–0000
JAMES A. SAMUELS, 000–00–0000
TOMMY E. SANCHEZ, 000–00–0000
ROBERT W. SANDERS, 000–00–0000
MICHAEL D. SCHAEFFER, 000–00–0000
ROBERT A. SCHMIDT, 000–00–0000
DAVID M. SCHNITTKER, 000–00–0000
VINCENT H. SCHROEDER, 000–00–0000
STEPHEN A. SCIPIONE, 000–00–0000
JERRY D. SEAGLE, JR., 000–00–0000
WILLIAM B. SEBRING, 000–00–0000
TODD J. SENIFF, 000–00–0000
CURTIS A. SETH, 000–00–00003
FRANK A. SHAUL, 000–00–0000
TEDD C. SHELLENBARGER, 000–00–0000
THAD M. SHELTON, 000–00–0000
STEVEN B. SHEPARD, 000–00–0000
ERIC S. SHIREY, 000–00–0000
DENNIS A. SHOOK, 000–00–0000
KIRSTINA D. SHORE, 000–00–0000
LUKE N. SHOWS, 000–00–0000
JOHN F. SIMON, 000–00–0000
MARK R. SLIEPCEVIC, 000–00–0000
JAMES F. SLOAN III, 000–00–0000
JAMES J. SMITH, 000–00–0000
MARK P. SMITH, 000–00–0000
TIMMY SMITH, 000–00–0000
WESLEY A. SMITH, 000–00–0000
JAMES B. SNELL, 000–00–0000
RICK J. SNIDERHAN, 000–00–0000
JOHN D. SORACCO, 000–00–0000
SAMUEL E. SORGEN, 000–00–0000
MICHAEL R. SPENCER, 000–00–0000
TIMOTHY W. STAATS, 000–00–0000
ROBERT J. STAILEY, 000–00–0000
RICHARD M. STEVENSON, 000–00–0000
STEPHEN E. STILLING, 000–00–0000
RONALD J. STINSON, 000–00–0000
MARK R. STOOPS, 000–00–0000
ROBERT A. STRANGE, 000–00–0000
RONALD E. STRONG, 000–00–0000
JAY A. SUNKES, 000–00–0000
BRIAN D. SWEENEY, 000–00–0000
GIL L. TACHIBANA, 000–00–0000
BRIAN J. TALAY, 000–00–0000
MARK H. TANNER, 000–00–0000
ADAM B. TAYLOR, 000–00–0000
CHRIS E. TAYLOR, 000–00–0000
JEFFREY E. TAYLOR, 000–00–0000
TERRY W. TAYLOR, JR., 000–00–0000
JEFFREY T. TOMBLIN, 000–00–0000
JEANENE L. TORRANCE, 000–00–0000
ERIC S. TOWE, 000–00–0000
CHRISTOPHER R. TOWNSEND, 000–00–0000
VINCENT D. TRAEYE, 000–00–0000
STEVEN M. TRUMBULL, 000–00–0000
ANDREW K. TURNER, 000–00–0000
MURRAY J. TYNCH III, 000–00–0000
JEFFREY A. UTHE, 000–00–0000
JOHN L. VALADEZ, 000–00–0000
JAY R. VANNICE, 000–00–0000
JOSEPH A. VASILE, 000–00–0000
RENE VELAZQUEZ, 000–00–0000
ROBERT J. VENEMAN, 000–00–0000
RICHARD A. VILLANI, 000–00–0000
BRADLEY E.C. VOLDEN, 000–00–0000
PAUL E. VOLLE, 000–00–0000
RICKEY D. WALLEY, 000–00–0000
ROBERT L. WALLIS II, 000–00–0000
JOHN M. WARD, 000–00–0000
ROBERT J. WARE, 000–00–0000
DAVID W. WARNER, 000–00–0000
RICHARD S. WARREN, 000–00–0000
MICHAEL W. WATKINS, 000–00–0000
THOMAS J. WATSON III, 000–00–0000
MARK WEILER, 000–00–0000
EVAN W. WEINTRAUB, 000–00–0000
JOEL S. WELCH, 000–00–0000
MIKE T. WESSON, 000–00–0000
EDWARD J. WETZEL, 000–00–0000
THOMAS P. WILCOX III, 000–00–0000
ANDREW R. WILLIAMS, 000–00–0000
LESLIE D. WILLIAMS, 000–00–0000
BRUCE L. WINTER, 000–00–0000
CATHERINE M. WITT, 000–00–0000
DOUGLAS S. WITTEN, 000–00–0000
ROBERT D. WOODBURN, 000–00–0000
MOODY G. WOOTEN, JR., 000–00–0000
DANIEL C. WORRA, 000–00–0000
CHRISTIAN W. ZAUNER, 000–00–0000

LINE

To be lieutenant (junior grade)

JOHN C. ABSETZ, 000–00–0000
ALBERT D. ALTURA, 000–00–0000
CHRISTOPHER P. AMEN, 000–00–0000
MICHAEL A. AVALLONE, 000–00–0000
CABOT C. AYCOCK, 000–00–0000
JOHN W. BAILEY, 000–00–0000
HENRY W. BARNES IV, 000–00–0000
MICHAEL H. BASEMAN, 000–00–0000
RONNIE J. BATMAN, 000–00–0000
ROBERT A. BAUGHMAN, 000–00–0000
CHRISTOPHER J. BAUMSTARK, 000–00–0000
MICHAEL W. BAZE, 000–00–0000
CURTIS A. BECKER, JR., 000–00–0000
TIMOTHY S. BEDARD, 000–00–0000
MARK O. BELSON, 000–00–0000
JOHN A. BERGER, 000–00–0000
PAUL W. BIERAUGEL, 000–00–0000
KATHRYN R. BINI, 000–00–0000
JODY G. BRIDGES, 000–00–0000
MATTHEW A. BROWN, 000–00–0000
JOHN F. BROWNE III, 000–00–0000
MARK K. BRUBAKER, 000–00–0000
CHRISTOPHER S. BUNCE, 000–00–0000
THOMAS D. BUSH, JR., 000–00–0000
KEVIN T. CAMILLI, 000–00–0000
JOSE R. CANARIO, JR., 000–00–0000
JEFFERY S. CANFIELD, 000–00–0000
CHRISTIAN G. CENICEROS, 000–00–0000
ROBERT L. CHATHAM, 000–00–0000
KEITH A. CHITMON, 000–00–0000
MARK D. COFFMAN, 000–00–0000
JEFFREY J. COLEMAN, 000–00–0000
SHERRIE S. COMBEE, 000–00–0000
BAILEY L. CORBETT, 000–00–0000
BRETT M. COTTRELL, 000–00–0000
JOSHUA A. CROWDER, 000–00–0000
FRANK CRUMP III, 000–00–0000
JOHN P. DAUNT, 000–00–0000
DUANE W. DENNIS, 000–00–0000
MICHAEL D. DESHAZO, 000–00–0000
BRIAN K. DEVANY, 000–00–0000
DANIEL D. DOHMEYER, 000–00–0000
JAMES G. DORSTEN, 000–00–0000
TIMOTHY A. DOWNING, 000–00–0000
TODD A. DUFAULT, 000–00–0000
STEVEN R. DUNKLEBERGER, 000–00–0000
TERRY L. DUPRIE, 000–00–0000
JOHN P. EZELLE, 000–00–0000
KENNETH O. FISHER, 000–00–0000
PATRICK L. FLAHERTY, 000–00–0000
HEBERT F. FREDERICK, 000–00–0000
JOHN D. FREEMAN, 000–00–0000
STEPHEN L. GAZE, 000–00–0000
GINA M. GIGLIO, 000–00–0000
KENNETH G. GLYNN, 000–00–0000
RICHARD A. GOLBITZ, 000–00–0000
MARK E. GOODE, 000–00–0000
SCOTT S. GOODWIN, 000–00–0000
CRIS A. GRANT, 000–00–0000
JOHN R. GRAY, 000–00–0000
STEPHANIE K. GREEN, 000–00–0000
ROBERT L. GREESON, 000–00–0000
DANIEL A. HAIGHT, JR., 000–00–0000
SAM R. HANCOCK, JR., 000–00–0000
BENJAMIN B. HANSEN, 000–00–0000
KEITH G. HARRIS, 000–00–0000
FRANCOIS P. HENNEBERGER, 000–00–0000
PAUL T. HENNIGAN, 000–00–0000
CHRIS A. HIGGINBOTHAM, 000–00–0000
JOHN T. HIGGINS, 000–00–0000
TODD J. HOOPER, 000–00–0000
JOHN A. HOPKINS, 000–00–0000
JERRFEY J. HOPPE, 000–00–0000
KIM E. HOWARD, 000–00–0000
RODERICK M. HOYLE, 000–00–0000
STEPHEN C. HUGGS, 000–00–0000
CORBIN D. HUGHES, 000–00–0000
DAVID W. HUNTLEY, 000–00–0000
CARLOS A. IGLESIAS, 000–00–0000
THOMAS L. JACKSON, 000–00–0000
THOMAS E. JOHNSON, 000–00–0000
JEFFREY A. JONES, 000–00–0000
STEPHEN P. JONES, 000–00–0000
AMARDEV S. JOUHAL, 000–00–0000
JEFFREY T. KAUFFMAN, 000–00–0000
MARK W. KAWECKI, 000–00–0000
LAWRENCE L. KEIL, 000–00–0000
PATRICK A. LACORE, 000–00–0000
THOMAS H. LAGOMARSINO, 000–00–0000
RICHARD T. LAROCHE, 000–00–0000
JAMES A. LEE, 000–00–0000
DARYL E. LEEDS, 000–00–0000
DAVID A. LILIENSTEIN, 000–00–0000
JEFFREY V. LOCKE, 000–00–0000
MICHELLE E. LUCERO, 000–00–0000
MICHAEL P. LYNCH, 000–00–0000
RON C. MAGWOOD, 000–00–0000
THOMAS D. MALONEY, 000–00–0000
GALONE N. MARKEY, 000–00–0000
ALPHONSE MARSH, JR., 000–00–0000
EMILIO MARTINEZ, 000–00–0000
TODD A. MAUERHAN, 000–00–0000
MICHAEL L. MAY, 000–00–0000
MARK A. MAYERSKE, 000–00–0000
CYLDE F. MAYS, JR., 000–00–0000
TIMOTHY L. MCCARTY, 000–00–0000
MICHAEL L. MCCLINTOCK, 000–00–0000
JOHN A. MCCONVILLE, 000–00–0000
SANDRA A. MCDONALD, 000–00–0000
KENNETH C. MCDONNELL, 000–00–0000
KEVIN MCKEEVER, 000–00–0000
BRAD A. MCMULLEN, 000–00–0000
DAVID T. MELINOSKY, 000–00–0000
TERRENCE W. MENTZOS, 000–00–0000
JAMES W. MILLER, 000–00–0000
JOHN R. MILLER, 000–00–0000
BRYAN L. MILLS, 000–00–0000
ROBERT W. MINOR, 000–00–0000
MICHAEL G. MOFFITT, 000–00–0000
JAMES R. MOLINARI, 000–00–0000
DAVID R. MOOREFIELD, 000–00–0000
KEVIN S. MORAVEK, 000–00–0000
PAUL G. MOVIZZO, 000–00–0000
MARK T. MURRAY, 000–00–0000
SCOTT F. MURRAY, 000–00–0000
JAMES R. NASH, 000–00–0000
CHARLES S. NOLAN, 000–00–0000
JACK M. OMOHUNDRO, 000–00–0000
SCOTT A. ONEIL, 000–00–0000
FEDERICO G. ORDONA, 000–00–0000
MATTHEW D. OVIOS, 000–00–0000
KEVIN J. PARKER, 000–00–0000
CEDRIC T. PATMON, 000–00–0000
LARRY O. PAUL, 000–00–0000
KEITH L. PAYNE, 000–00–0000
DAVID A. PETERSON, 000–00–0000
TROY R. PFEFFER, 000–00–0000
ERIK M. POINTER, 000–00–0000
CHRISTOPHER X. POLK, 000–00–0000
EMORY G. PRICE, 000–00–0000
SHANE E. PRITCHARD, 000–00–0000
DANIEL B. RADER, 000–00–0000
COREY W. RAY, 000–00–0000
TIMOTHY C. RECKERS, 000–00–0000
KEVIN W. RISTER, 000–00–0000
THOMAS G. ROULSTON, 000–00–0000
JONATHAN B. ROWELL, 000–00–0000
HOLLY L. RUSSELL, 000–00–0000
GERALDA T. SARGENT, 000–00–0000
JEFF D. SASSER, 000–00–0000
DARYL J. SCHMALTZ, 000–00–0000
ROBERT D. SCHNEIDER, 000–00–0000
GREGORY J. SCHUSTER, 000–00–0000
LANCE G. SCOTT, 000–00–0000
JOHN E. SEDLOCK, 000–00–0000
MICHAEL S. SHAWE, 000–00–0000
SCOTT C. SHERMAN, 000–00–0000
LAMANCHA SIMS, 000–00–0000
ANGELO R.L. SMITHA, 000–00–0000
DAVID M. SMUDA II, 000–00–0000
WILLIAM L. SOMMER, 000–00–0000
MARY L. SPENCER, 000–00–0000
ERNEST B. STACY, 000–00–0000
MELINDA M. STATON, 000–00–0000
MICHAEL R. SUTTON, 000–00–0000
TIMOTHY A. SZYDLOWSKI, 000–00–0000
CHRISTOPHER A. TAYLOR, 000–00–0000
PAUL J. TECH, 000–00–0000
DARRON D. THOMPSON, 000–00–0000
RICHARD O. TOLLEY, 000–00–0000
TERRANCE R. VINTON, 000–00–0000
JOHN J. VITALICH, 000–00–0000
DARRYL L. WALKER, 000–00–0000
CHARLES A. WALTON JR., 000–00–0000
CARDEN F. WARNER, 000–00–0000
ANDREW N. WESTERKOM, 000–00–0000
WILLIAM J. WHEELER, 000–00–0000
CHRISTOPHER S. WICHMAN, 000–00–0000
MARK D. WILLIAMS, 000–00–0000
NILS E. WIRSTROM, 000–00–0000
CHRISTOPHER S. WIRTH, 000–00–0000
ALEXANDER J. WRIGHT, 000–00–0000
ANDREW J. YOUNG, 000–00–0000

LINE

To be ensign

RICHARD M. ALFORD, 000–00–0000
PATRICK C. ANGLE, 000–00–0000
DANIEL G. BAKER, 000–00–0000
GREGORY W. BEACH, 000–00–0000
MATTHEW J. BEDNAR, 000–00–0000
ERIC S. BELMAN, 000–00–0000
DOUGLAS W. BERNOT, 000–00–0000
JOHNNY T. BOMAN JR., 000–00–0000
MICHAEL V. BONO, 000–00–0000
DOUGLAS A. BRADLEY, 000–00–0000
STEVEN V. BRESCIA, 000–00–0000
MARK D. BUTLER, 000–00–0000
KUI H. CHOI, 000–00–0000
MATTHEW C. COVERDALE, 000–00–0000
LAWRENCE S. CRISCIONE, 000–00–0000
DAMON M. CSEH, 000–00–0000
MARTIN DEBONO, 000–00–0000
MICHAEL D. DEWULF, 000–00–0000
CRAIG D. DIDIER, 000–00–0000
CHRISTOPHER S. DIGNAN, 000–00–0000
RICHARD F. DUBNANSKY, JR., 000–00–0000
CURTIS B. DUNCAN, 000–00–0000
TIMOTHY R. DURDIN, 000–00–0000
CHRISTOPHER M. DURKEE, 000–00–0000
JEFFREY R. EIS, 000–00–0000
SCOTT A. ELLSWORTH, 000–00–0000
MARK E. EMANUEL, 000–00–0000
MICHAEL A. FALTER, 000–00–0000
JASON T. FASSLER, 000–00–0000
ERIC R. FEDELE, 000–00–0000
COREY J. GANNON, 000–00–0000
ERIC J. GARDNER, 000–00–0000
TERRI A. GLEESON, 000–00–0000
GEORGE E. GOHLINGHORST, 000–00–0000
WILLIAM W. GRAYLIN, 000–00–0000
JEFFREY A. GUTHRIE, 000–00–0000
MARK S. HAIRE, 000–00–0000
ROBERT D. HARRINGTON, 000–00–0000
MUSTAFA M. HAZIQ, 000–00–0000
PERRY L. HERRICK, 000–00–0000

BRUCE A. HILL, 000–00–0000
STEVEN R. HOEM, 000–00–0000
JAY D. HOFFMAN, 000–00–0000
JUSTIN C. JACKSON, 000–00–0000
WALTER L. JENNINGS, 000–00–0000
CHRISTOPHER D. JONES, 000–00–0000
JEFFREY S. KAMAN, 000–00–0000
MICHAEL B. KAPLAN, 000–00–0000
GEORGE M. KENNEDY, 000–00–0000
MICHAEL J. KING II, 000–00–0000
DAVID B. KUHL II, 000–00–0000
PATRICK E. KULAKOWSKI, 000–00–0000
BRANDON A. LARSON, 000–00–0000
JERRY W. LEGERE, 000–00–0000
JOHN C. LEONE, JR., 000–00–0000
DARRYN J. LUNDERS, 000–00–0000
ANTONIO C. MACCABE, 000–00–0000
NORMAN G. MACGREGOR 000–00–0000
SAMUEL A. MAEBY, 000–00–0000
PATRICK J. MAHONEY, 000–00–0000
PHILIP E. MALONE, 000–00–0000
LELAND R. MARCUS, 000–00–0000
JAY T. MARKIEWICZ, 000–00–0000
ROBERT R. MARTIN, JR., 000–00–0000
CURTIS L. MILLER, 000–00–0000
MARK R. MOEBES, 000–00–0000
RICHARD P. PENTECOST, 000–00–0000
DAVID R. PERRY, 000–00–0000
TIMOTHY P. POFF, 000–00–0000
MARK A. POWELL, 000–00–0000
KENNETH N. RADFORD, 000–00–0000
STEPHEN R. RAPP, 000–00–0000
DENNIS A. ROBERTSON, 000–00–0000
YILMAZ W. RONA, 000–00–0000
ALEXANDER ROSARIO, 000–00–0000
ASHLEY C. ROSE, 000–00–0000
HARRIS S. ROSE, 000–00–0000
MARCUS A. ROSSI, 000–00–0000
DOUGLAS C. SALTZ, 000–00–0000
WILLIAM G. SCHINDELE, 000–00–0000
JEFFREY R. SCHMITT, 000–00–0000
ERIC A. SCHNEIDER, 000–00–0000
DAVID K. SECKEL, 000–00–0000
JOHN J. SEIFERT, 000–00–0000
ANDREW J. SHANK, 000–00–0000
MARTIN W. SHEARER, 000–00–0000
TIMOTHY G. SHORE, 000–00–0000
WILLIAM A. SMITH IV, 000–00–0000
CRAIG A. STACK, 000–00–0000
ANDREW J. STAMPFEL, 000–00–0000
MICHAEL J. STANCHINA, 000–00–0000
SHAWN W. STGERMAIN, 000–00–0000
WILLIAM J. STITH, JR., 000–00–0000
NATHAN B. SUKOLS, 000–00–0000
STEVEN C. TAYLOR, 000–00–0000
MARK R. TIERNEY, 000–00–0000
NICHOLAS R. TILBROOK, 000–00–0000
ALVIN S. VENTURA, 000–00–0000
CHRISTOPHER S. WEBER, 000–00–0000
GREGORY J. WIRTH, 000–00–0000
JON E. WITHEE, 000–00–0000
JAMES M. WITT III, 000–00–0000
JASON K. WOLF, 000–00–0000
DAVID A. YOUTT, 000–00–0000

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE MEDICAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MEDICAL CORPS

To be lieutenant commander

COLIN G. CHINN, 000–00–0000
BRUCE R. CHRISTEN, 000–00–0000
BRUCE COHEN, 000–00–0000
JOSEPH A. DAVIES, 000–00–0000
TERRENCE X. DWYER, 000–00–0000
ROBERT R. HARFORD, 000–00–0000
GREG W. HOEKSEMA, 000–00–0000
WILLIAM B. MCCREA, 000–00–0000
GRETCHEN A. MEYER, 000–00–0000
MATTHEW L. MILLER, 000–00–0000
OSCAR E. MINOSO Y DE CAL, 000–00–0000
AMY I. MORTENSEN, 000–00–0000
MICHAEL L. PUCKETT, 000–00–0000
EDWARD V. ROSS, JR., 000–00–0000
JOSEPH E. SARACHENE, 000–00–0000
RICHARD L. SCHROFF, 000–00–0000
MARTIN L. SNYDER, 000–00–0000
JAY C. SOURBEER, 000–00–0000
HOWARD C. WETSMAN, 000–00–0000
STEVEN A. YOUNG, 000–00–0000

To be lieutenant

THOMAS A. BALCOM, 000–00–0000
JOHN B. BURGESS, JR., 000–00–0000
BRIAN J. MCKINNON, 000–00–0000
SAMUEL J. PIERCE, 000–00–0000
MARK R. POLAK, 000–00–0000
JOSEPH F. RAPPOLD, 000–00–0000
TIMOTHY H. RAYNER, 000–00–0000
ALISON R. SENNELLO, 000–00–0000
MARTIN P. SORENSEN, 000–00–0000
MICHAEL S. WEINER, 000–00–0000
KENNETH S. YEW, 000–00–0000

THE FOLLOWING NAMED LINE OFFICERS, TO BE REAPPOINTED IN THE SUPPLY CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(B):

To be lieutenant (junior grade),

ANTHONY W. DELUCCHI, 000–00–0000
JAMES B. EASTON, 000–00–0000
HENRY GONZALES, 000–00–0000
JIMMY L. HAHM, 000–00–0000
PATRICK S. HAYDEN, 000–00–0000
JOHN W. KENNEDY, 000–00–0000
AMY L. LYONS, 000–00–0000
RAMON O. MARIN, 000–00–0000
KURT M. PHOEL, 000–00–0000
JAVIER A. VEGA, 000–00–0000
GREGORY J. VERGAMINI, 000–00–0000
HANS C. WALDRAFF, 000–00–0000
FORREST D. WILKINS, 000–00–0000

To be ensign

TRINA M. BECKNER, 000–00–0000
ERIC J. BIALEK, 000–00–0000
JAMEY J. BLOCK 000–00–0000
JAMES H. BYRD, JR., 000–00–0000
MICHAEL J. CLOYD, 000–00–0000
MARK D. DOBESH, 000–00–0000
MICHAEL W. FIVAS, 000–00–0000
MICHAEL S. FLATLEY, 000–00–0000
SCOTT A. GARVEY, 000–00–0000
RONALD L. GRIESENAUER, 000–00–0000
NOEL M. GRIFFITH, 000–00–0000
DENNIS R. HALL, JR., 000–00–0000
LAURI D. HARRIS, 000–00–0000
ANTHONY J. HATOK, JR., 000–00–0000
ALAN M. HERN, 000–00–0000
BRANDON A. HONEYCUTT, 000–00–0000
DARRELL B. INGRAM, 000–00–0000
NOEL P. JOHNSON 000–00–0000
DEAN R. KINSMAN, 000–00–0000
ERIC A. MORGAN, 000–00–0000
TIMOTHY S. PIONE, 000–00–0000
ERIC M. SKROCH, 000–00–0000
GREGORY T. STEHMAN, 000–00–0000
RICHARD J. SULLIVAN, 000–00–0000
MICHAEL L. SWEENEY, 000–00–0000
JOSEPH J. YUN, 000–00–0000

THE FOLLOWING NAMED U.S NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE SUPPLY CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

To be lieutenant

DEBORAH K. ANDERSON, 000–00–0000
MICHAEL L. ANDERSON, 000–00–0000
THOMAS S. ARMSTRONG, 000–00–0000
DAVID F. CRUZ, 000–00–0000
SCOTT T. GEHRING, 000–00–0000
MARK D. HANSON, 000–00–0000
ROBERT M. JENNINGS, 000–00–0000
ROBERT J. KILLIUS, 000–00–0000
MICHAEL B. MURPHY, 000–00–0000
MARK A. POLCA, 000–00–0000
GARY J. POWE, 000–00–0000
JOE F. RAY, 000–00–0000
RICHARD J. SCHLEGEL, 000–00–0000
VAUGHN L. STOCKER, 000–00–0000
JOSEPH A. TWEEDY, 000–00–0000
JOSEPH P. WILKING, 000–00–0000
DONALD J. WILLIAMS, 000–00–0000

To be lieutenant (junior grade)

ERIC H. BURKS, 000–00–0000
PHILIPPE J. GRANDJEAN, 000–00–0000
MARK K. HARRIS, 000–00–0000
DAVID K. HOWELL, 000–00–0000
ANDRE D. MURPHY, 000–00–0000
CORINNE J. PELLEGRIN, 000–00–0000
AARON K. STANLEY, 000–00–0000
ERIC S. STUMP, 000–00–0000
LORENZO E. WILLIAMS, 000–00–0000

THE FOLLOWING NAMED LINE OFFICERS, TO BE REAPPOINTED IN THE CIVIL ENGINEER CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(B):

CIVIL ENGINEER CORPS

To be lieutenant

THOMAS A. BOLIN, 000–00–0000
ARMAND T. QUATTLEBAUM, 000–00–0000
MAJELLA D. STEVENSON, 000–00–0000

To be lieutenant (junior grade)

MICHAEL P. CAPUANO, 000–00–0000
MARILEE A. COWAN, 000–00–0000
CHERYL M. HANSEN, 000–00–0000
WILLIAM K. HEDGES, 000–00–0000
DAVID R. HOPKINS, 000–00–0000
SEAN J. MC KILLOP, 000–00–0000

To Be Ensign

CHRISTOPHER E. ARCHER, 000–00–0000
CARTER C. DOWDY, 000–00–0000
MEGAN J. WAGGONER, 000–00–0000

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE CIVIL ENGINEER CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

To be lieutenant

DAVID G. GILLES, 000–00–0000
CAROLYN D. HERMAN, 000–00–0000
KEVIN K. JOHNSON, 000–00–0000
RICHARD A. KRAMER, 000–00–0000
SCOTT A. LANGE, 000–00–0000
ROBERT E. LIN, 000–00–0000
TIMOTHY L. MILINER, 000–00–0000
RICHARD S. MOSER, 000–00–0000
NORMAN D. STIEGLER, JR., 000–00–0000
GARY B. WHIPPLE, 000–00–0000

To be lieutenant (junior grade)

MARK A. AGUILAR, 000–00–0000
DOUGLAS C. BUZBEE, 000–00–0000
HOWIE S. FERGUSON, 000–00–0000
PATRICK A. GARIN, 000–00–0000
GLENN W. HUBBARD, 000–00–0000
THOMAS J. MITORAJ, 000–00–0000
NORMAN D. NAISER, JR., 000–00–0000
WILLIAM T. TIMBERLAND, 000–00–0000

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE JUDGE ADVOCATE GENERAL'S CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant

STEVEN M. BARNEY, 000–00–0000
STUART W. BELT, 000–00–0000
FRANCIS J. BUSTAMANTE, 000–00–0000
STEVEN J. COATY, 000–00–0000
MONTE R. DEBOER, 000–00–0000
CHRISTOPHER R. DONOVAN, 000–00–0000
DANA T. DYSON, 000–00–0000
AZIZ D. FAWAL, 000–00–0000
REX A. GUINN, 000–00–0000
NOREEN A. HAGERTY, 000–00–0000
HALLIE S. HOCHMAN, 000–00–0000
MARY C. L. HORRIGAN, 000–00–0000
PAUL C. LEBLANC, 000–00–0000
KATHLEEN A. MESSICK, 000–00–0000
BRIAN T. ODONNELL, 000–00–0000
CHARLES N. PURNELL, II, 000–00–0000
PETER D. SCHMID, 000–00–0000
PHILIP M. SKILLMAN, 000–00–0000
SUSAN L. TURNER, 000–00–0000
JONATHAN H. WAGSHUL, 000–00–0000
DANA O. WASHINGTON, 000–00–0000
BRIAN S. WILSON, 000–00–0000

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE DENTAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

DENTAL CORPS

to be lieutenant commander

JEANETTE M., GORTHY, 000–00–0000
PETER G., KREMP, 000–00–0000

to be lieutenant

JEFFERY L. ANDRUS, 000–00–0000
HECTOR, A. CABALLERO, 000–00–0000
MARISA L. CINCOSKI, 000–00–0000
CATHERINE L. CUMMINGS, 000–00–0000
DAVID R. ENGLEHART, 000–00–0000
ARNE F. GRUSPE, 000–00–0000
RODNEY L. GUNNING, 000–00–0000
DAVID H. HARTZELL, 000–00–0000
SHEHERAZAD A. HARTZELL, 000–00–0000
JOHN C. HENING, 000–00–0000
DARYL G. HOLDREDGE, 000–00–0000
MILAN J. JUGAN, JR., 000–00–0000
CRAIG J. KOSLICA, 000–00–0000
KAREN M. LYNCH, 000–00–0000
DONALD D. MARDIS, 000–00–0000
BRIAN S. MAYDAY, 000–00–0000
KURT T. METZLER, 000–00–0000
PAUL G. OLOUGHLIN, 000–00–0000
JEFFREY J. PRICE, 000–00–0000
JAMES E. ROBSON, 000–00–0000
MICHAEL A. STEINLE, 000–00–0000
SCOTT D. THOMAS, 000–00–0000
PATRICIA A. TORDIK, 000–00–0000
RANDALL J. WALKER, 000–00–0000

THE FOLLOWING NAMED LINE OFFICERS, TO BE REAPPOINTED IN THE MEDICAL SERVICE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MEDICAL SERVICE CORPS

to be lieutenant (junior grade)

SCOTT B. ARNDT, 000–00–0000
DANIEL L. MEYERS, 000–00–0000
BENNETT J. SOLBERG, 000–00–0000

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE MEDICAL SERVICE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

SCOTT A. SHAPPELL, 000–00–0000
LYNDA E.S. WALLS

to be lieutenant

HOWARD A. AUPKE, JR., 000–00–0000
FREDERICK C. BEAL, 000–00–0000
CHARLES H. BEASLEY, JR., 000–00–0000
FREDERICK, M. BERNEKING, 000–00–0000
DUANE L. BIZET, 000–00–0000
JOHN R. BOREN IV, 000–00–0000
JOHN R. BUFFINGTON, 000–00–0000
JOSEPH M. CAMPISANO, 000–00–0000
WILLIAM F. CUSACK, 000–00–0000
MARY F. DAVID, 000–00–0000
FREDERICK C. DAVIS, 000–00–0000
ROBIN J. DOWNEY, 000–00–0000
THOMAS L. DRIVER, 000–00–0000
BRIAN M. FARMER, 000–00–0000
ALEX J. FATCHERIC, 000–00–0000
THOMAS C. FRANCHINI, 000–00–0000
PAMALA S. GAITHER, 000–00–0000
JERRY L. GARDNER, 000–00–0000
JOHN GOODE, JR., 000–00–0000
PEDRO G. GUZMAN, 000–00–0000
MARGO E. HALEY, 000–00–0000

DAVID J. HINCKLEY, 000–00–0000
STEVEN L. HOEFT, 000–00–0000
KURT J. HOUSER, 000–00–0000
GILLIAN V. JAEGER, 000–00–0000
STEVEN M. JEFFS, 000–00–0000
JAY P. KAZE, 000–00–0000
EDWARD M. KENNEDY, 000–00–0000
BONNEY J. MANN, 000–00–0000
RICHARD G. MASANNAT, 000–00–0000
TOUSSAINT E. MORGAN, 000–00–0000
LYNN M. OWENS, 000–00–0000
MARK A. PARSONS, 000–00–0000
THOMAS P. PHILLIPS, 000–00–0000
JOSEPH J. PICKEL, 000–00–0000
SHANNON D. PUTNAM, 000–00–0000
CELIA A. QUIVERS, 000–00–0000
KEVIN E. RICE, 000–00–0000
GLORIA A. RUSSELL, 000–00–0000
MARK C. RUSSELL, 000–00–0000
GINA M. SIEGWORTH, 000–00–0000
DANIEL S. SIMPSON, 000–00–0000
PETER P. TOLAND, JR., 000–00–0000
KEVIN L. TROVINI, 000–00–0000
MARY E. WALDMAN, 000–00–0000
MICHAEL J. WALSH, 000–00–0000
RENEE T. WHITE, 000–00–0000
STEVEN R. WINKLER, 000–00–0000
MICHAEL D. ZYZAK, 000–00–0000

To be lieutenant (junior grade)

RONALD M.V. BAJET, 000–00–0000
DANIEL J. BELISLE, 000–00–0000
BRANDON S. BENTLEY, 000–00–0000
MICHAEL J. BOWERS, 000–00–0000
KEVIN D. BRYANT, 000–00–0000
CYNTHIA A. COLVIN, 000–00–0000
THOMAS R. CONNOR, 000–00–0000
KERRI L. COONS, 000–00–0000
ROLAND L. FAHIE, 000–00–0000
STEPHEN E. GOTTLIEB, 000–00–0000
STEVEN N. HAILEY, 000–00–0000
CYNDEE J. HAYES, 000–00–0000
CHRISTOPHER J. IRWIN, 000–00–0000
RONALD R. MARTEL, 000–00–0000
JAMES L. MARTIN, 000–00–0000
RICHARD L. MCCARTHY, 000–00–0000
WILLIAM T. MILES, 000–00–0000
ALAN L. PORTIS, 000–00–0000
REBECCA A. RIGNEY, 000–00–0000
ROBERT P. RUSSELL, 000–00–0000
RANDY G. SHAFFER, 000–00–0000
REBECCA C. SINE, 000–00–0000
TAMARA R. WALKER, 000–00–0000
TIMOTHY J. WOLFKILL, 000–00–0000

To be ensign

GREGORY A. CAMERON, 000–00–0000
ROGER A. HOUSE, 000–00–0000

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE NURSE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

NURSE CORPS

To be lieutenant commander

JAMES P. FERGUSON, 000–00–0000

To be lieutenant

LINDA M. ACOSTA, 000–00–0000
KRISTEN ATTERBURY, 000–00–0000
KHIN AUNGTHEIN, 000–00–0000
CHRISTINE A. BLYTHE, 000–00–0000
KATHLEEN A. BRANNON, 000–00–0000
CLARIBEL L. BROWN, 000–00–0000
MAUREEN R.N. BUTLER, 000–00–0000
CHERYL L. CARSON, 000–00–0000
DAVID T. CASTELLANO, 000–00–0000
CHESTER E. CHAPMAN, 000–00–0000
VIRGIL E. CRONKHITE, 000–00–0000
RACHELE A. CRUZ, 000–00–0000
CINDY L. DAVIS, 000–00–0000
ROANNA L. DUNN, 000–00–0000
TERESA M. DZBENSKI, 000–00–0000
ANN L. EBERHART, 000–00–0000
MAURICE F. FAULK, JR., 000–00–0000
JAMES P. FOWLER, 000–00–0000
LAURIE GENTENE, 000–00–0000
BRADLEY J. HARTGERINK, 000–00–0000
SANDRA HEARN, 000–00–0000
SANDRA K. HEAVEN, 000–00–0000
CHARLES W. HICKEY, 000–00–0000
JEANETTE S. HIRTER, 000–00–0000
LORETTA A. HOWERTON, 000–00–0000
GARY M. JACKSON, 000–00–0000
LENA M. JONES, 000–00–0000
DIANA L. JORGENSEN, 000–00–0000
JOHN J.S. KANE, 000–00–0000
MCGREADY D. KELSO, 000–00–0000
GAYLE S. KENNERLY, 000–00–0000
BARBARA J. KINCADE, 000–00–0000
KERRIE E. KUHL, 000–00–0000
RONNELL R. LEFTWICH, 000–00–0000
ROBIN L. LIND, 000–00–0000
RICHARD S. MAFFEO, 000–00–0000
LORI A. MARTIN, 000–00–0000
MARK W. MCDONALD, 000–00–0000
CAROLYN R. MCGEE, 000–00–0000
VIOLET A.A. PAYNE, 000–00–0000
JOANNE M. PETRELLI, 000–00–0000
DREW S. PINILLA, 000–00–0000
NANCY G. RODRIGUEZ, 000–00–0000
JANICE D. SANDERS, 000–00–0000
DAVID A. TAIT, 000–00–0000
GLORIA S. TESTA, 000–00–0000
KIMBERLY J. THOMPSON, 000–00–0000
KATHLEEN TRAINORYATES, 000–00–0000
ANNMARIE T. WERKHEISER, 000–00–0000
SHARON E. WOLF, 000–00–0000
SHARRON L. YOKLEY, 000–00–0000

To be lieutenant (junior grade)

LAWRENCE M. BATEMAN, 000–00–0000
ANNETTE S. BETTS, 000–00–0000
DENISE J. BOEHLER, 000–00–0000
JOHN J. BRESLIN, 000–00–0000
DARWIN M. BROOKS, 000–00–0000
HAROLD J. CLOUGH, 000–00–0000
JACQUELINE L. COFFIN, 000–00–0000
ESTHER M. CUNNINGHAM, 000–00–0000
GEORGE O. DECKER, 000–00–0000
RICHARD F. DIBUCCI, 000–00–0000
TARYN R. EPPERSON, 000–00–0000
CARMA J. ERICKSON, 000–00–0000
SHARON D. EVANS, 000–00–0000
MICHAEL E. FLYNN, 000–00–0000
STEPHANIE L. FORD, 000–00–0000
JAMES C. GAY, 000–00–0000
HEATHER K. GILCHRIST, 000–00–0000
AMY L. HALL, 000–00–0000
KAREN E. HOLLAND, 000–00–0000
CHERYL L. HUNT, 000–00–0000
THOMAS J. JAGLOWSKI, 000–00–0000
SCOTT A. JOHNSON, 000–00–0000
SHIRLEY H. KING, 000–00–0000
MARY C. LIGHTWINE, 000–00–0000
LORI J. MARTINELLI, 000–00–0000
TINA M. MCCLURE, 000–00–0000
KATHLEEN J. MCDONALD, 000–00–0000
MARTIN W. MCMICHAEL, 000–00–0000
RACHEL J. NIKKOLA, 000–00–0000
CARLO A. PIRAINO, JR., 000–00–0000
SHELLEY A. ROSANDER, 000–00–0000
THOMAS M. ROUNDS, 000–00–0000
JOHN R. ROUSSEL, 000–00–0000
PAUL P. SAUCEDO III, 000–00–0000
ANGELA R. SAUNDERS, 000–00–0000
HUGH B. SCOTT, 000–00–0000
ROSEMARY S. SKIDMORE, 000–00–0000
WANDA J. STONE, 000–00–0000
GLEN L. TODD, 000–00–0000
SUSAN E. ULLOA, 000–00–0000
JOHN J. WHITCOMB, 000–00–0000
RICHARD D. WHITE, 000–00–0000
PATRICK C. WRENCHER, 000–00–0000

CONFIRMATIONS

Executive Nominations Confirmed by the Senate May 23, 1995:

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

EUGENE BRANSTOOL, OF OHIO, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

DEPARTMENT OF AGRICULTURE

KARL N. STAUBER, OF MINNESOTA, TO BE UNDER SECRETARY OF AGRICULTURE FOR RESEARCH, EDUCATION, AND ECONOMICS.

KARL N. STAUBER, OF MINNESOTA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. BILLY J. BOLES, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN C. GRIFFITH, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. LLOYD W. NEWTON, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS TO TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. CHARLES G. BOYD, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS TO TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. JOHN M. LOH, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. JOHN S. FAIRFIELD, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. CARL G. O'BERRY, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. EUGENE D. SANTARELLI, 000–00–0000, U.S. AIR FORCE.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. LEONARD D. HOLDER, JR., 000–00–0000, U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601(A) AND 3033:

To be general

To be chief of staff of the Army

GEN. DENNIS J. REIMER, 000–00–0000, U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. GORDON R. SULLIVAN, 000–00–0000, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. MARVIN L. COVAULT, 000–00–0000, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. ROBERT E. GRAY, 000–00–0000, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. JOHN E. MILLER, 000–00–0000, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. WILLIAM G. CARTER III, 000–00–0000, U.S. ARMY.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. DONALD F. HAGEN, 000–00–0000, U.S. NAVY.

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT AS COMMANDANT OF THE MARINE CORPS, HEADQUARTERS, U.S. MARINE CORPS, AND APPOINTMENT TO THE GRADE OF GENERAL WHILE SERVING IN THAT POSITION UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5043:

To be Commandant of the Marine Corps

LT. GEN. CHARLES C. KRULAK, 000–00–0000, USMC.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING ROBERT D. CURRY, AND ENDING WARD Y. TOM, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 30, 1995.

AIR FORCE NOMINATIONS BEGINNING MAJ. BRADLEY C. ANDREESEN, AND ENDING MAJ. CHARLES E. LOWREY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 3, 1995.

AIR FORCE NOMINATIONS BEGINNING MAJ. JOSE T. AGUINEGA, AND ENDING MAJ. STEPHEN L. JERENTOWSKI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 3, 1995.

AIR FORCE NOMINATIONS OF JAMES C. INGRAM, JR., WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 24, 1995.

IN THE ARMY

ARMY NOMINATIONS BEGINNING JOHN A. ADAMS, AND ENDING *DARI WOLLSCHLAEGER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 23, 1995.

ARMY NOMINATIONS BEGINNING *RUSSELL R. MOORES, JR., AND ENDING MICHAEL J. SMITH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 30, 1995.

ARMY NOMINATIONS BEGINNING JAMES W. CLEVENGER, JR., AND ENDING CHARLES M. KING, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 24, 1995.

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING DAVID F. ALLEN, AND ENDING EUSEEKERS WILLIAMS, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 23, 1995.

MARINE CORPS NOMINATIONS BEGINNING STEPHEN J. ACOSTA, AND ENDING GREGORY N. ZIMA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 2, 1995.

IN THE NAVY

NAVY NOMINATIONS BEGINNING VANITA AHVJA, AND ENDING PERRY N. WILLETTE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 30, 1995.

NAVY NOMINATIONS BEGINNING CHARLES S. ABBOT, AND ENDING JAKE ZWEIG, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 30, 1995.

NAVY NOMINATIONS BEGINNING RYAN D. AARON, AND ENDING DAVID G. ZOOK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 30, 1995.