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House of Representatives

The House met at 9 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Help us, gracious God, to see other people as they truly are with their own ideas, with their own traditions, and with their own integrity. We admit that we too often portray the character of our neighbor and the motivation of others in ways that do not serve the common good and we ought to admit our shortcoming. Lead us, O God, to think with clarity, to acquit ourselves with honor, and to respect all people for that is a mark of our humanity and the stamp of Your creation.

In Your name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Indiana [Mr. ROEMER] come forward and lead the House in the Pledge of Allegiance.

Mr. ROEMER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. There will be ten 1-minutes on each side.

CUBAN EMBARGO

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, one of our colleagues has openly challenged the United States embargo against the Castro regime by announcing that he has accepted an invitation by Cuban tyrant Fidel Castro to visit Cuba in December with a group of Massachusetts businessmen.

I have asked the Treasury Department to deny my colleague, and his partners in crime, permission to travel to Cuba, for this trip clearly does not fall under the permissable guidelines. The presence of business leaders on this trip is an attempt at lobbying for the end of the trade embargo against Castro.

While some try to forge ties with the tyrant, the repression in Cuba goes unabated. While Castro fooled the United States media once again this week independent journalist Olance Nogueras Roce was jailed in a high security prison in Cuba for trying to ask a question at the Ministry of Foreign Relations.

The obvious attempt to violate the embargo on Cuba by these United States businessmen is a clear test of the Clinton administration's resolve to enforce the law against Castro. The President must step up to the challenge by denying them visas.

CIVIL WAR

(Mr. KENNEDY of Rhode Island asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KENNEDY of Rhode Island. Mr. Speaker, today the Republicans are starting the second civil war. The second civil war between the States and States rights.

What the Republicans are proposing in their block grant approach is a race to the bottom between the States. It is going to be a race between the States on how unfriendly the States can be to the poor, the disabled, and our elderly.

By taking away the entitlement program for our senior citizens and poor children and the disabled, they are starting a war between the States on who can cut the elderly more than the next States in order to save money.

Make no mistake about it, I came from a State legislature. I know what it is like being in a State house and trying to make ends meet. With the Federal Government abandoning the most neediest of our citizens in our society, they are setting up a divided country in this Nation, and I think that this is something that we have got to stand up against.

Let us reject the civil war the Republicans are trying to wage.

Mr. Speaker, today we begin a race for the bottom.

Faster than you can say block grant, the leaders on the other side of the aisle have dismantled a program that said to children when they were most vulnerable and to seniors then they were most in need: If you are an American, you share a common right to basic health care.

Today, when we discard Medicaid, we throw out that entitlement and replace it with a lottery.

Well, as any one who plays the lottery can tell you—most people lose.

Children, poor mothers, and impoverished seniors will lose under this plan that throws all the decisions to the States without the money to do the job right.

We all know, States will not compete for who can do the most, but for who can do the least.

After today, it will not matter that you are an American.

What will matter is what side of the State line you live on.

We will 50 different answers to what it is to be an American.

I call upon my colleagues to remember that we are nation of United States and reject this plan that marches us down the road to a disunited States.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

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CHICKEN LITTLE DEMOCRATS

(Mr. NORWOOD asked and was given permission to address the House for 1 minute.)

Mr. NORWOOD. Mr. Speaker, in deference to our last speaker, everybody knows that it was not the Civil War, it was the War between the States.

Mr. Speaker, today we will pass a 7-year budget reconciliation that is a huge step forward for this great Nation. In the reconciliation, we will do the things the voters asked us to do when they swept the liberal Democrats of out office. We will balance the budget in 7 years, something that has not been done in a generation. Where the liberal Democrats of the 103d Congress raised taxes, we will refund taxes back to the hard working men and women in this Nation. We will fix a Medicare system that was going bankrupt. We will reform the morally bankrupt welfare system. In short, Mr. Speaker, today we will do the things we promised the American peopled we would do.

I have listened to the Chicken Little Democrats whine ''this is too much, too fast, too hard''. But what do they offer? Nothing. Mr. Speaker, every day we ignore the problems of the Nation, they become worse. Now is the time for great action, and today will be remembered as a great day.

WHAT THE PEOPLE SAY

(Mr. ROEMER asked and was given permission to address the House for 1 minute.)

Mr. ROEMER. Mr. Speaker, this is the people's House. Therefore, what are the people of this great country saying about cutting taxes in order to get to a balanced budget?

Well, the Committee on the Budget went out to listen to the American people. Here is a transcript of what the Committee on the Budget heard going coast to coast in January and February.

They heard from Mr. Frank Ramsey from Prescott, AZ. He said, and I quote, ''We feel here in Prescott what needs to be done first is to cut spending long before cutting taxes.''

Cole Kleitsch of New Jersey said, ''The other thing, we cannot have a tax cut right now.''

Lynn Dill in Delaware: ''I am very unenthusiastic about tax cuts.''

Greg Pearson in Montana: ''I think it is absolutely foolish for Congress to talk about reducing taxes at all.''

Mr. Speaker, what we need to do is balance the budget by making tough cuts in spending as our coalition budget does. Let us demand sacrifice from all the American people, not division and redistributing the resources.

TAXES ARE TOO HIGH

(Mr. CHABOT asked and was given permission to address the House for 1 minute.)

Mr. CHABOT. Mr. Speaker, perhaps confession is good for the soul, and good politics. Look at President Clinton.

Last week at a fat-cat fundraiser in Texas, he confessed that he raised taxes too much in 1993.

Today, the polls show that Mr. Clinton has gained some favor with the American public after that confession.

I am sure that news has warmed the hearts of all those Democrats who were defeated last year after helping the President pass the largest tax increase in history.

But there is a lesson in all this for those surviving House Democrats who followed their President like lemmings and voted to raise taxes on Social Security, who voted to raise taxes on low- and middle-income working families.

The lesson is that it is not too late for you to have a change of heart, just as the President has.

You can confess that you were wrong to raise taxes in 1993 and you can demonstrate your sincerity by helping the Republican majority cut the Clinton taxes and let working families keep more of their earnings. Taxes are too high. Let us cut them today.

TAXES ARE BEING RAISED TODAY

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, let us talk about taxes. In fact let us talk about the taxes that are going to be raised today in this NEWT GINGRICH Congress.

First of course is the sick tax. To be old or disabled in America is to have the opportunity to pay more and get less health care. It is a tax on being sick to finance a tax break for those who are well, very well, very well off.

Then there is NEWT GINGRICH'S new tax on work. That is right. The Americans who earn less than $30,000 will be paying more taxes after today, if Mr. GINGRICH has his way. To those who are off welfare, who walk past the drug dealer to get to the bus stop, to go across town to empty the bed pan at the nursing home, to the young mother who is off welfare, who is struggling to get child care, who is going across town to sack up another burger and fries, to those people taxes are going to go up after today. They may call that no new taxes, it is at least NEWT'S taxes.

LIBERALS OPPOSE RECONCILIATION

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, from the home office in Scottsdale, AZ, the top 10 reasons liberals oppose reconciliation. No. 10, mistaken notion that milk comes from cartons, electricity from light switches, and money from the Government instead of from taxpayers. No. 9, forget Travelgate and Whitewater; it is more fun to rip off taxpayers in the broad daylight. No. 8, tax and spend without end, tax and spend without end. Hey, Mr. Speaker, why would the American people join in that mind-numbing chant?

No. 7, liberal PR firm of Jennings, Rather and Brokaw advises keep confusing and misleading the public, then leave the rest to us. No. 6, anxiously awaiting new sitcom from Larry and Linda Thomason: Bureaucrats Know Best.

No. 5, people should not keep more of their money. That is unfair and, besides, it makes too much sense. No, 4, liberal mantra for year-round Halloween: Trick the people then treat big government.

No. 3, people's money, what a wonderful thing to waste. No. 2, self-reliance, what a dangerous concept. And the No. 1 reason liberals oppose reconciliation, a secret fear that the President will flipflop again and refuse to veto this commonsense approach to the future.

THE BUDGET BILL

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, both parties, Democrats and Republicans, have raised taxes. Although I will not vote for the budget bill today, I want to commend the Republican Party for at least having a program and attempting to turn the country around.

There are two provisions in this bill that I have sponsored. First, it increases penalties for IRS misconduct tenfold. That will cool the jets of some of those at the IRS, folks. Second of all, it will give taxpayers an opportunity to sue the IRS for cause.

But I am disappointed. Although there is some language on shifting the burden of proof, my provision is not in there. Let me say this; one of the main reasons is money.

My colleagues, if our Founding Fathers used money as the yardstick for liberty, we would not have the protection of the Bill of Rights today. There can be no justice in America, and after this bill is over, a taxpayer will still be considered guilty and must prove themselves innocent in a court of law.

I think the Democrats did nothing about it; tell it like it is. The Republicans have an opportunity. I am hoping they give me a shot here in the next year.

VOTE TO BALANCE THE BUDGET

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, as of yesterday, the national debt stood at $4,975,508,732,304.35.

It's not enough to debate how previous Congresses let his happen. It is

not enough to complain and bellyache. It is not enough for Members of Congress to make excuses and dance around their most basic responsibilities.

Mr. Speaker, it is time to deal with our national debt and balance the budget. The excuses are over. The gimmicks have all been tried and have failed.

Last November, the American people told Congress to get its act together. They sent a new Republican majority to do the job the first time in 40 years. Our party made a promise to give them what they have been denied for the last 25 years: simple, basic, financial accountability from the U.S. Congress.

Today is historic. For the first time in a generation, Congress will vote to balance the budget and do the right thing for America's future and for America's children.

THIS BUDGET BILL DOES THE WRONG THING

(Mr. WARD asked and was given permission to address the House for 1 minute.)

Mr. WARD. Mr. Speaker, today we are going to be faced with a budget which I feel does the wrong thing. It does the wrong thing because it cuts at the very heart of our safety net in this country, and that is our seniors and their reliance on the Medicare Program.

A $270 billion reduction in the spending over the next 7 years will absolutely be a cut in services. And why? At the same time I wonder are we being given the choice, not given the choice, not given the choice to take out of this bill a $245 billion tax break.

□ 0915

This tax break is not needed. It is only being funded this year by the cuts that will be seen in the Medicare Program. Why, oh why, in the efforts to balance the budget are we reducing taxes when we are seeing the highest income earners in America seeing their taxes reduced by this bill?

BALANCING THE BUDGET WILL HELP THE POOR WITH STRONG ECONOMIC GROWTH

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Mr. Speaker, the liberal Democrats in this House say they cannot support a plan to balance the budget because it will hurt the poor too much. This is the most bizarre argument I've ever heard.

I know it drives my liberal friends nuts, but the fact is, the best antipoverty program this country has to offer is strong economic growth. And the best way to get strong economic growth is by cutting taxes. That was the lesson of the 1980's.

The tax cuts of both 1963 and 1981 created a rising tide that did indeed lift all boats. Imagine if the tax cuts of 1981 had been coupled with comparable spending restraint by the Congress. The poor might actually have been able to survive the disastrous tax increases of 1990 and 1993.

Do my liberal friends really want to help the poor. Then balance the budget and cut taxes. It is a proven solution.

EFFECT OF THE GOP BUDGET ON RHODE ISLAND CHILDREN

(Mr. REED asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REED. Mr. Speaker, I rise today to speak on behalf of my constituents who have no voice but who have a very large stake in the outcome of the debate over the GOP buget—the children of Rhode Island.

The Republican budget will eliminate Medicaid coverage for almost 40,000 children in Rhode Island, many whom are disabled. The Republican budget will cut nutrition assistance for almost 50,000 children in Rhode Island. The Republican budget jeopardizes immunizations for children in Rhode Island. The Republican budget will deny 14,000 children in Rhode Island child care assistance. Unfortunately, Mr. Speaker, the list goes on and on.

I say to my Republican colleagues—we must work toward a balanced budget for our children, not balance the budget on the backs of our children. When it comes to public investment in children's health and education, denying a dollar today actually costs more in the future.

Mr. Speaker, I urge my colleagues to vote against this short-sighted and mean spirited budget reconciliation bill.

HELP AMERICAN WORKERS AND AMERICAN SMALL BUSINESS—JOIN THE TRAVEL AND TOURIST CAUCUS

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, we heard many speeches yesterday, and we will hear more today, good speeches on reconciliation. I just want to address one question of the aftermath of a less-government role. I think we have to allow private enterprise some elbow room, and we are going to have the opportunity to do that on Monday and Tuesday. We have for the first time ever the most important conference in this decade in this city, the Travel and Tourist Conference. Travel and tourism is the second largest industry in America. They need less taxes, they need less regulation, so we can give our people jobs.

Mr. Speaker, this is a conference for American workers, American small business, Main Street America. Travel and tourism is becoming the real economic power right here in America and all over the globe, as the futurists tell us. Now Congress can be involved in this small business enterprise, in this travel and tourism. We have the travel and tourist caucus.

Mr. Speaker, the gentleman from Ohio [Mr. GILLMOR] is our 300th member, and I salute him for joining the travel and tourist caucus. We now have 304 members, and I ask all the Members in Congress to join the travel and tourist caucus. Let us do something positive for American workers and American small business. Please call my office, join the caucus. Let us do something for American workers.

THE REPUBLICANS' 30-YEAR GOAL TO END MEDICARE

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, 30 years ago the Republican leader of the other body voted against the creation of Medicare, and yesterday he bragged of that vote saying that he knew it did not work, and he was proud of his vote, and he was proud that he fought against Medicare.

On this side of the street, Speaker NEWT GINGRICH joined the trashing of Medicare, and on Tuesday he revealed the real GOP plan, to privatize Medicare. Speaker GINGRICH said, and I quote, ''We didn't get rid of it in round 1 because we don't think that that's politically smart.''

1965–1995, Republicans are closing in on their 30-year goal to end Medicare. Welcome to the Gingrich revolution.

ANNOUNCEMENT BY THE SPEAKER PRO TEMORE

The SPEAKER pro tempore (Mr. GILLMOR). The Chair would remind Members they are not to refer to Members in the other body.

RED RIBBON WEEK

(Mr. PORTMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTMAN. Mr. Speaker, as important as budget reconciliation is, and it is very important, this morning I would like to address something else. This is National Red Ribbon Week; my colleagues may have seen people wearing these red ribbons on the floor of this House and around the country. It is a week to call on our Nation's citizens, particularly our young people, to stay healthy and drug-free.

Mr. Speaker, this is a critical and timely message because unfortunately in one generation it appears that normalized attitudes toward drug abuse has led to an epidemic increase in the number of drug users. The frightening fact is that although we seem to be

winning the war on drugs in the 1980's those trends have been dramatically reversed.

According to the most recent National household survey on drug abuse, marijuana use among teenagers nearly doubled between 1990 and 1994, after 13 straight years of decline. Cocaine use is also up, and today more and more teenagers and young adults are resorting to drugs from the past like heroin and LSD.

In my own congressional district, drug use is back up to its highest levels ever. In Hamilton County, OH there has been a documented and dramatic increase in the past 12 months in the use of marijuana and harder drugs. And most frightening is that drug abuse is occurring among children at younger and younger ages.

Mr. Speaker, we must take bold and aggressive action. All Americans must be involved. The fight against drug abuse has to be handled community by community, and everyone needs to be involved.

INJUSTICES OF H.R. 2491—OMNIBUS BUDGET RECONCILIATION

(Mr. RUSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSH. Mr. Speaker, I rise today to address the most egregious assault on the American people to date. Some of the missiles have already landed: $182 billion has been cut from Medicaid, $270 million has been cut from Medicare. Now that the enemy has pillaged these areas, they now seek to launch an all out offensive to achieve their ultimate victory—a tax cut for the wealthiest 10 percent of Americans.

The great injustices of history have been committed in the name of unchecked and unbridled majority rule. The Framers of the Constitution warned us about the tyranny of the majority. Their fears have become reality. The safety net of America is being snatched from under them. Affordable housing programs within the RTC and FDIC have been terminated. Some $10 billion has been cut from student loans. The earned income tax credit will be reduced by 18 percent. Keep in mind, that individuals who receive EITC have an average income of $11,000. The Republican majority has turned its back on the American people. This measure is tantamount to thievery—the theft of the sanctity of the American people.

BALANCING THE BUDGET IS THE RIGHT THING TO DO FOR OUR FUTURE

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, let me just read a quote from Ronald Reagan's first inaugural address:

> . . . The crisis we are facing today requires our best effort and our willingness to believe in ourselves and to believe in our capacity to perform great deeds, to believe that together with God's help we can and will resolve the problems which now confront us. After all, why should we not believe that? We are Americans. That is just as true today as it was during the first inaugural address.

Mr. Speaker, the problem of having yearly billion-dollar deficits has to end. Period. The Federal Government cannot continue on the path it is on. This is not a Democrat or Republican problem, it is an everyone's problem. Congress can no longer run away from this problem like a bunch of scared chickens.

Today Congress will have the opportunity to put the Federal Government squarely on the path to a balanced budget. It must be done. It is the right thing to do for America's future. It will be done because we are Americans.

CHRISTMAS IN OCTOBER

(Ms. BROWN of Florida asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. BROWN of Florida. Mr. Speaker, the Republicans are at it again. The party for the rich and famous has devised a budget plan in which all Americans lose, except the wealthy. Yes, Mr. Speaker, it is Christmas in October for all of those wealthy Republican campaign contributors because the Republicans are repaying them with generous tax breaks. Meanwhile, everyone else gets the short end of the stick.

Under the Republican's reverse Robin Hood budget plan, so many programs that middle class and working families depend on—education, Medicare, Medicaid, child nutrition, Head Start, daycare, earned income tax credit, and housing, just to name a few, are being robbed while the wealthiest corporations and individuals will reap a $245 billion tax cut.

Mr. Speaker, in order to balance the budget, a shared sacrifice is necessary; everyone must make sacrifices, not just the middle class and working people.

The Republican budget plan will hurt American families. When it comes to family values, the Republican Party talks the talk but they certainly do not walk the walk. This budget proves it.

TODAY REPUBLICANS DELIVER CLINTON ADMINISTRATION'S PROMISE

(Mr. RIGGS asked and was given permission to address the House for 1 minute.)

Mr. RIGGS. Mr. Speaker, a child born today will pay an average of $187,000 in taxes over 75 years just to cover his or her share of the interest on the national debt. Let me repeat that—a child born today will owe $187,000 just on the interest of the national debt.

Mr. Speaker, for too long our Federal Government has squandered away the future of American families and their children. The Republican majority made a promise to the people to reduce the size of the Federal Government, balance the budget, and reduce overburdensome taxes, all in order to provide hope for the future. Today, we will pass the budget reconciliation bill which puts us on the path to a balanced budget by the year 2002.

Mr. Speaker, what the Clinton administration has promised, the Republicans will actually deliver.

THE REPUBLICANS' OUTRAGEOUS MEDICARE CUTS

(Mr. HILLIARD asked and was given permission to address the House for 1 minute.)

Mr. HILLIARD. Mr. Speaker, the Republicans' budget cut Medicare funding by $250 billion, and it is outrageous. Have they no shame?

The Republicans should not force those persons among us, who have the greatest needs, to suffer.

What my Republican colleagues are doing to our elderly and our disabled is disgraceful.

I am extremely concerned that our rural and inner-city hospitals are at serious risk. These huge Republican cuts, along with the steady increase in uncompensated care burden, would place these hospitals in jeopardy, and the hospitals have limited or no ability to shift the costs to payers.

The quality and access to needed health care is severely threatened.

The Republican's Medicare cuts are outrageous.

Because they refuse to listen to logic, it is my prayer that the American public hear me and that they will insist that this budget be vetoed.

□ 0930

THE CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY ACT

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, I yield to the gentleman from Florida [Mr. DIAZ-BALART], a member of the Committee on Rules.

Mr. DIAZ-BALART. Mr. Speaker, could my colleagues imagine if during the Holocaust there had been a visit here by Hitler, and the press would have asked him ''Who designs your suits? What is your favorite sport in the Olympics?'' That is what we just saw during the visit by the Cuban tyrant, where some of our colleagues, as a matter of fact, met with him, and say now they are going to lead CODELS to go down there and lobby for the end of sanctions against him.

Some businessmen met with Castro and are asking him, ''How many jobs can we transfer to your slave economy

to take away from American workers?'' That is the reality of this visit that we just saw, the pathetic visit we just saw.

The answer of this House, and I want to thank the chairman of the Committee on Rules, as well as the leadership, for inserting in the bill that we are going to be discussing today, the answer of the American people and their representatives to the disgusting visit by the Cuban tyrant, is the Cuban Liberty and Democratic Solidarity Act. It is going to be passed again today, and it is the answer to this disgusting visit by the American people.

PERMISSION FOR CERTAIN COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole under the 5-minute rule: The Committee on Commerce, the Committee on Government Reform and Oversight, the Committee on International Relations, the Committee on the Judiciary, the Committee on Resources, and the Committee on Transportation and Infrastructure.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

Mr. BEILENSON. Reserving the right to object, Mr. Speaker, we have no objection to this request, but pending it, we would like our side to have one additional 1-minute, if that is all right with the gentleman on the other side.

The SPEAKER pro tempore (Mr. GILLMOR). The Chair will recognize the gentleman for one 1-minute.

Mr. BEILENSON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE BUDGET RECONCILIATION BILL AND CHILDREN

(Mr. NADLER asked and was given permission to address the House for 1 minute.)

Mr. NADLER. Mr. Speaker, I rise to express my outrage that, in the Republican rush to bestow a $245 billion tax cut for America's wealthiest citizens, we are being asked to leave the futures of our children behind. This is nothing less than immoral.

While the wealthiest Americans will receive a $20,000 windfall under the Republican budget, our Nation's abused and neglected children will suffer under a 19 percent cut in funding for programs offering child protection. By 2002, almost 200,000 children will be denied access to Head Start. Medicaid coverage for as many as 4.4 million children will be eliminated by 2002.

And the Republican budget denies 1 million women infant mortality assistance, affecting the births of 74,000 infants each year, giving new meaning to the phrase, ''women and children first.''

Mr. Speaker, let us not throw our Nation's children overboard. Let us reject these immoral cuts, and oppose the Republican budget reconciliation bill.

PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 109, SENSE OF CONGRESS REGARDING SOCIAL SECURITY EARNINGS TEST REFORM, AND FURTHER CONSIDERATION OF H.R. 2491, SEVEN-YEAR BALANCED BUDGET RECONCILIATION ACT OF 1995

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 245 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 245

Resolved, That at any time after the adoption of this resolution it shall be in order to consider in the House the concurrent resolution (H. Con. Res. 109) expressing the sense of the Congress regarding the need for reform of the social security earnings limit, if called up by the majority leader or his designee. The concurrent resolution shall be debatable for twenty minutes equally divided and controlled by the majority leader and the minority leader or their designees. The previous question shall be considered as ordered on the concurrent resolution to final adoption without intervening motion.

SEC. 2. At any time after the adoption of this resolution, the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for further consideration of the bill (H.R. 2491) to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996. All time for general debate under the terms of the order of the House of October 24, 1995, shall be considered as expired. Further general debate shall be confined to the bill and amendments specified in this resolution and shall not exceed three hours equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. After general debate the bill shall considered for amendment under the five-minute rule. An amendment in the nature of a substitute consisting of the text of H.R. 2517, modified by the amendments printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted in the House and in the Committee of the Whole. The bill, as amended, shall be considered as the original bill for the purpose of further amendment under the five-minute rule. The bill, as amended, shall be considered as read. All points of order against provisions in the bill, as amended, are waived. No further amendment shall be in order except the further amendment in the nature of a substitute consisting of the text of H.R. 2530, which may be offered only by the minority leader or his designee, shall be considered as read, shall be debatable for one hour equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against the further amendment in the nature of a substitute are waived. After a motion that the Committee rise has been rejected on a day, the Chair may entertain another such motion on that day only if offered by the chairman of the Committee on the Budget or the majority leader or a designee of either. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendment as may have been adopted. The previous question shall be considered as ordered on the bill, as amended, and any amendment thereto to final passage without intervening motion except one motion to recommit with or without instructions. The motion to recommit may include instructions only if offered by the minority leader or his designee. The yeas and nays shall be considered as ordered on the question of passage of the bill and on any conference report thereon. Clause 5(c) of rule XXI shall not apply to the bill, amendments thereof, or conference reports thereon.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the distinguished gentleman from California [Mr. BEILENSON], pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for purposes of debate only.

(Mr. SOLOMON asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. SOLOMON. Mr. Speaker, House Resolution 245 is the customary restrictive rule for considering reconciliation legislation.

In this case the rule first makes in order the consideration in the House of a sense of the Congress resolution, House Congress Resolution 109, introduced by Mr. HASTERT. That resolution expresses the intent of Congress to pass legislation before the end of this year to raise the Social Security earnings limit for working seniors aged 65 through 69.

That is an important commitment we made in our Contract With America and we intend to keep that commitment to America's senior citizens.

Unfortunately, the Budget Act prohibits the consideration of legislation amending the Social Security Act as part of reconciliation. But we will vote on and pass this as a separate bill before this session adjourns.

Mr. Speaker, following 20 minutes of debate on that resolution, and a vote on its adoption, the rule provides for the further consideration of H.R. 2491, the Seven Year Balanced Budget Reconciliation Act of 1995.

And, oh, how the title of this bill says it all—the ''Seven-Year Balanced Budget Reconciliation Act of 1995.'' Today we are bringing to final fruition our efforts of the past 10 months to deliver to the American people on our promise to balance the budget in 7 years.

Yesterday, we had a full 3 hours of general debate on that bill pursuant to a unanimous-consent request that was granted in consultation with the minority leadership.

Today this rule provides for another 3 hours of general debate before we

consider for 1 hour a Democrat substitute that will be offered by the minority leader or his designee.

Those 6 hours are three times as much general debate time as we had on the Clinton reconciliation bill in 1993. That is as it should be, though, on a bill this important.

The rule provides for the adoption in the House and the Committee of the Whole of that amendment in the nature of a substitute which consists of the text of H.R. 2517, introduced by the Budget Committee chairman, as modified by the amendments printed in the Rules Committee's report on this rule.

That substitute is made base text for the purpose of further amendment. That further amendment is the so-called coalition substitute which is the text of H.R. 2530, introduced by Representative ORTON and others yesterday.

It will be debated for 1 hour. The House will then vote on it after which the Committee of the Whole will rise and report the bill back to the House.

Before final passage, the minority leader or a designee may offer one motion to recommit, with or without instructions. That is something that was denied us in the minority on reconciliation bills in recent years, but is something we guaranteed to the minority in our House rules reforms at the beginning of this Congress. So, the minority will have twice as many amendments as we were allowed when we were in the minority.

Finally, the rule orders the yeas and nays on passage of the bill, and suspends the application of clause 5(c) of rule XXI, which requires a three-fifths vote on any bill, amendment or conference report containing a Federal income tax rate increase, against the passage of the bill or the adoption of any amendment or conference report thereon.

Mr. Speaker, let me hasten to add that the Ways and Means Committee has certified that there are no Federal income tax rate increases contained in this measure we are making in order by this rule.

The three-fifths vote requirement is being waived, nevertheless, as a precautionary measure to avoid any unnecessary points that might be made out of a misunderstanding of the rule.

When we adopted this rule back on January 4 of this year, we placed an analysis in the CONGRESSIONAL RECORD at page H34. That analysis made clear that the term only applies to increases in the income tax rates contained in sections 1 and 11 of the Internal Revenue Code for individuals and corporations, respectively.

These are the commonly understood marginal or bracket rates with which most Americans are well familiar. That is the interpretation which still applies today. And this bill does not increase those rates one iota.

Mr. Speaker, today is not really about today's vote, as historic as it is, or about the past 10 months during which we struggled to develop this glide-path to a balanced budget by the year 2002.

Today is really about the future—the future of the economy, the future of this country, and the futures of our children and grandchildren and the better world we will bestow on them by putting our fiscal house in order today.

An overwhelming majority of the American people favor balancing the Federal budget—of ensuring that we spend no more than we take in. As the last election demonstrated, they fully expect us to make good our promises to balance the budget by making the hard choices necessary to achieve that goal.

Yes, it will involve some sacrifices on the part of everyone. But today's temporary pain will be tomorrow's great gain for our country as we build a strong economic base on which to create new jobs and prosperity for all Americans.

We can no longer be content to rest on the laurels of our past achievements. They are behind us and we are now literally drowning in a sea of red ink we have created by our past actions.

We have overpromised, overspent, and underdelivered on what the Government alone is capable of doing. In so doing, we have stifled rather than promoted individual initiative and opportunity in the private sector which is the key to new jobs and our future growth and survival as a country.

Our annual interest payments on the national debt alone are consuming and crowding out the capital necessary to build the kind of private sector growth that is so critical to our country's competing in this global economy.

By our actions here today we are recognizing the need to restrain the voracious appetite of the Government that is devouring the hard-earned dollars of American workers rather than allowing them to be put to more productive use in the private sector to create new and better paying jobs.

The time has come to put an end to the fiscal madness and insanity that is driving us deeper and deeper into debt. The bill before us reverses that trend.

It is called a reconciliation bill because in a narrow sense it reconciles our spending practices with our balanced budgetary goals adopted last spring.

But, in a larger sense it is a grander kind of reconciliation because it reconciles the grim realities of today with our hopes and dreams for a brighter and more prosperous future.

We cannot achieve that glorious reconciliation with the America we want to leave to our posterity if we do not make the hard choices and votes we must confront today. We can no longer get by on espousing the rhetoric of a balanced budget while avoiding taking the tough but necessary steps to get there.

We can no longer get by on blaming others for our failed dreams of balancing the budget when we have the duty and ability today by our votes on this bill to make those dreams a reality.

Today, that dream is within our grasp—indeed, the vote is at our very fingertips. We can either vote ''yes'' for the dream of a brighter future, or ''no'' for a long nightmare of economic stagnation, failure, and collapse.

It's in our hands; the choice is ours. Support this rule and the balanced budget reconciliation bill it makes in order.

Mr. Speaker, I include for the RECORD information regarding this rule, and previous rules and other pertinent material:

H. RES 245—SUMMARY OF PROVISIONS OF THE RULE FOR CONSIDERATION OF: HOUSE CONCURRENT RESOLUTION 109—SOCIAL SECURITY EARNINGS TEST REFORM; H.R. 2491—SEVEN YEAR BALANCED BUDGET RECONCILIATION ACT OF 1995

1. Provides for consideration in the House of a concurrent resolution (H. Con. Res. 109) Social Security earnings test reform, debatable for 20 minutes, divided between the Majority and Minority Leaders or their designees.

2. Provides three hours of additional general debate on H.R. 2491, divided equally between the chairman and ranking minority member of the Committee on the Budget.

3. Provides that an amendment in the nature of a substitute consisting of the text of H.R. 2517 modified by the amendments printed in the Rules Committee's report on the rule shall be considered as adopted in the House and the Committee of the Whole; that the bill as amended shall be considered as an original bill for the purpose of further amendment; and that all points of order against provisions of the bill as amended are waived.

4. Provides that no amendment shall be in order to the bill as amended except an amendment in the nature of a substitute consisting of the text of H.R. 2530, which may only be offered by the Minority Leader or his designee.

5. Provides that the amendment in the nature of a substitute shall be considered as read, shall not be subject to amendment, and shall be debatable for one hour equally divided and controlled by the proponent and an opponent.

6. Waives all points of order against the amendment in the nature of a substitute.

7. Provides after a motion to rise has been rejected on any day, another such motion may only be offered by the Majority Leader or Budget Committee chairman.

8. Provides one motion to recommit which, if containing instructions, may only be offered by the Minority Leader or a designee.

9. Provides that the yeas and nays are ordered on final passage and that the provisions of clause 5(c) of Rule XXI (requiring a three-fifths vote on any amendment or measure containing a Federal income tax rate increase) shall not apply to the votes on the bill, amendments thereto or conference reports thereon.

SUMMARY OF AMENDMENTS MODIFYING THE TEXT OF H.R. 2517 TO FORM THE NEW BASE TEXT FOR AMENDMENT PURPOSES

Upton (MI): Amend Food, Drug and Cosmetic Act to authorize the export of new drugs if approved in recipient country. (p. 275, after line 11, insert new Subtitle F—''FDA Export Reform and Enhancement Act'')

Horn (CA)/Davis (VA) (modified): Add new tools for Federal agencies to collect debts

owed to the United States to enhance debt collection and improve financial management. (Inserts new Subtitle B to Title V, ''Debt Collection Improvement Act of 1995,'' at page 333, line 15)

Barr (GA): Strike section 7002, ''Civil Monetary Penalty Surcharge and Telecommunications Carrier Compliance Payments.'' (p. 416, line 3 through p. 419, line 6)

Davis (VA): Strike section 10404, ''Collection of Parking Fees,'' requiring each Executive agency to collect parking fees at all Federal parking facilities. (p. 700, line 23 through page 701, line 19)

Davis (VA) (modified): Amend sec. 17201(c), National Technical Information Service, to provide that if an appropriate arrangement for the privatization of the functions of the NTI Service has not been made before the end of the 18-month period, the Service shall be transferred to the National Institute for Science and Technology. (p. 1588, lines 3 through 7)

Bliley (VA): Change the Medicaid allocation and lower the statutory caps for discretionary spending accordingly.

[Excerpted from the Rules Committee's report on H. Res. 245, the reconciliation rule]

EXPLANATION AND DISCUSSION OF CLAUSE 5(C), RULE XXI WAIVER

As indicated in the preceding paragraph, the Committee has provided in this rule that the provisions of clause 5(c) of House Rule XXI, which require a three-fifths vote on any bill, joint resolution, amendment or conference report ''carrying a Federal income tax rate increase,'' shall not apply to the votes on passage of H.R. 2491, or to the votes any amendment thereto or conference report thereon.

The suspension of clause 5(c) of rule XXI is not being done because there are any Federal income tax rate increases contained in the reconciliation substitute being made in order as base text by this rule. As the Committee on Ways and Means has pointed out in its portion of the report on the reconciliation bill—

''The Committee has carefully reviewed the provisions of Titles XIII and XIV of the revenue reconciliation provisions approved by the Committee to determine whether any of these provisions constitute a Federal income tax rate increase within the meaning of the House Rules. It is the opinion of the Committee that there is no provision of Titles XIII and XIV of the revenue reconciliation provisions that constitutes a Federal income tax rate increase within the meaning of House Rule XXI, 5(c) or (d).''

Nevertheless, the Committee on Rules has suspended the application of clause 5(c) as a precautionary measure to avoid unnecessary points of order that might otherwise arise over confusion or misinterpretations of what is meant by an income tax rate increase.

Such a point of order was raised and overruled on the final passage vote of H.R. 1215, the omnibus tax bill, on April 15, 1995. The ranking minority member of the Rules Committee subsequently wrote to the chairman of this Committee requesting a clarification of the rule. An exchange of correspondence with the Parliamentarian and the Counsel of the Joint Tax Committee was subsequently released by the chairman of this Committee on June 13, 1995, regarding the ruling and the provisions of the bill which gave rise to the point of order.

The Committee would simply conclude this discussion by citing from the section-by-section analysis of H. Res. 6, adopting House Rules for the 104th Congress, placed in the Congressional Record at the time the rules were adopted on January 4, 1995. With respect to clauses 5(c) and (d) which require a three-fifths vote on any income tax rate increase and prohibit consideration of any retroactive income tax rate increase, respectively:

''For purposes of these rules, the term 'Federal income tax rate increase' is, for example, an increase in the individual income tax rates established in section 1, and the corporate income tax rates established in section 11, respectively, of the Internal Revenue Code of 1986.'' (Congressional Record, Jan. 4, 1995, p. H–34)

The rates established by those sections are the commonly understood ''marginal'' tax rates or income ''bracket'' tax rates applicable to various minimum and maximum income dollar amounts for individuals and corporations. It is the intent of this committee that the term ''Federal income tax rate increase'' should be narrowly construed and confined to the rates specified in those two sections. As indicated in the Ways and Means Committee's report, those rates have not been increased by any provision contained in H.R. 2491 as made in order as base text by this resolution.

HOUSE RECONCILIATION RULES, 1980–93

Congress year	Bill No.	Rule	Terms of rules
96th (1980)	H.R. 7765	H. Res. 776	10-hours general debate (1-hr. ea. to 8 comms., 2-hrs. Ways and Means); 4 amendments allowed: (1) Budget Comm.; (2) Strike subtitle; (3) Rep. Vanik (D); (4) Rep. Bauman (R); one motion to recommit.
97th (1981)	H.R. 3982	H. Res. 169	8-hrs. general debate, comms, of juris.; amendment in nature of substitute by chairman of Budget Comm.; 6 amendments by Rep. Latta; 1-hr. on motion to recommit.
98th (1983)	H.R. 4169	H. Res. 344	1-hr. gen. debate, Budget Comm.; amendment in nature of substitute made in order; 1 amendment by chmn. Budget Comm.; one motion to recommit, with or without instructions.
98th (1984)	H.R. 5394	H. Res. 483	6-hrs. gen. debate, Budget Comm.; (1) amend. by W&M Comm., 1-hr; (2) amend. by Rep. Pepper, 30-mins.; one motion to recommit.
99th (1985)	H.R. 3500	H. Res. 296	4-hrs. gen. debate, Budget Comm.; self-execute amendment; (1) Rep. Fazio, 30-mins; (2) Rep. Latta, 1-hr.; (3) Rep. Florio, 30-mins; one motion to recommit.
99th (1986)	H.R. 5300	H. Res. 558	3-hrs. gen. debate, Budget Comm.; self-execute amend.; (1) Rep. Rodino, 30-mins.; (2) Rep. Rodino, 30-mins.; (3) Rep. Wylie, 30-mins.; one motion to recommit without instructions.
100th (1987)	H.R. 3545	H. Res. 296/298	3-hrs. gen. debate, Budget Comm.; self-execute amend.; (1) Rep. Michel, 1-hr.; one motion to recommit without instructions.
101st (1989)	H.R. 3299	H. Res. 245/249	6-hrs. gen. debate, Budget Comm.; self-execute amend.; 10 amendments (D–7;R–3), debatable from 30-mins. to 2-hrs. ea. (varies by amendment); one motion to recommit.
101st (1990)	H.R. 5835	H. Res. 509	3-hrs. gen. debate, Budget Comm.; self-execute amends.; (1) Rep. Rostenkowski, 1-hr.; one motion to recommit without instructions.
103d (1993)	H.R. 2264	H. Res. 186	2-hrs. gen. debate; self-execute amend. (54 page); (1) Rep. Kasich substitute, (290 pages), 1-hr.; one motion to recommit without instructions.

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of October 25, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	51	70
Modified Closed [3]	49	47	18	25
Closed [4]	9	9	4	5
Total	104	100	73	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of October 25, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of October 25, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	
		H.R. 2491	Seven-Year Balanced Budget	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

CORRECTION OF VOTES IN COMMITTEE REPORT OCTOBER 26, 1995

The Rules Committee's report, House Report 104–292 on House Resolution 245, the rule for the consideration of House Concurrent Resolution 109 and H.R. 2491, contains three erroneously reported rollcall votes due to typographical errors during the printing process. The votes were correctly reported in the original report filed with the Clerk.

Below is a correct version of those votes as contained in the Rules Committee report as filed with the House. The amendment numbers referred to in the motions are to amendments filed with the Rules Committee—a summary of which are contained following the listing of votes in the committee report.

The corrected votes for Rollcall Nos. 215, 228, and 229 are as follows:

RULES COMMITTEE ROLLCALL NO. 215

Date: October 25, 1995.

Measure: House Concurrent Resolution 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.

Motion By: Mr. Beilenson.

Summary of Motion: Motions No. 12, No. 13, and No. 35.

Results: Rejected, 5 to 8.

Vote by Member	Yea	Nay	Present
QUILLEN		X	
DREIER		X	
GOSS		X	
LINDER	X		
PRYCE		X	
DIAZ-BALART		X	
McINNIS		X	
WALDHOLTZ		X	
MOAKLEY	X		
BEILENSON	X		
FROST	X		
HALL	X		
SOLOMON		X	

RULES COMMITTEE ROLLCALL NO. 228

Date: October 25, 1995.

Measure: House Concurrent Resolution, 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.

Motion By: Mr. Hall.

Summary of Motion: No. 30 and No. 38.

Results: Rejected, 4 to 9.

Vote by Member	Yea	Nay	Present
QUILLEN		X	
DREIER		X	
GOSS		X	
LINDER		X	
PRYCE		X	
DIAZ-BALART		X	
McINNIS		X	
WALDHOLTZ		X	
MOAKLEY	X		
BEILENSON	X		
FROST	X		
HALL	X		
SOLOMON		X	

RULES COMMITTEE ROLLCALL NO. 229

Date: October 25, 1995.

Measure: House Concurrent Resolution 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.

Motion By: Mr. Frost.

Summary of Motion: No. 39.

Results: Rejected, 4 to 8.

Vote by Member	Yea	Nay	Present
QUILLEN		X	
DREIER		X	
GOSS		X	
LINDER		X	
PRYCE		X	
DIAZ-BALART			
McINNIS		X	
WALDHOLTZ		X	
MOAKLEY	X		
BEILENSON	X		
FROST	X		
HALL	X		
SOLOMON		X	

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, October 26, 1995.

Hon. GERALD B.H. SOLOMON,
Chairman of the Committee on Rules, U.S. Capitol, Washington, DC.

DEAR CHAIRMAN SOLOMON: Pursuant to authority provided to me by the Committee Report accompanying the Concurrent Resolution on the Budget for Fiscal Year 1996, H. Con. Res. 67, I hereby certify the amendment in the nature of a substitute made in order by H. Res. 245 would result in a balanced budget by Fiscal Year 2002.

Section 210(a)(2)(C) of H. Con. Res. 67 authorized the Chairman of the Committee on the Budget to certify an amendment in the nature of a substitute, made in order by the Committee on Rules, consisting of the text of the reported bill, as modified by any amendments necessary to balance the budget and achieve compliance with reconciliation instructions. Section 210(1) further specified that the certification is to be based upon an estimate provided by the Director of the Congressional Budget Office.

According to the attached estimate by the Director of the Congressional Budget Office, the substitute as amended by H. Res. 245 would result in the following deficit or surplus levels: $−158 billion in Fiscal Year 1996, $−180 billion in Fiscal Year 1997, $−146 billion in Fiscal Year 1998, $−120 billion in Fiscal Year 1999, $−96 billion in Fiscal Year 2000, $−40 billion in Fiscal Year 2001, and $+1 billion in Fiscal Year 2002.

The consideration of H.R. 2491 is an historic step as Congress moves to balance the Federal budget for the first time in over 30 years. The future of our nation depends upon bringing our fiscal affairs in order. It has been an honor for me to participate in this exciting process.

Sincerely,

JOHN R. KASICH,
Chairman, Committee on the Budget.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 26, 1995.

Hon. JOHN R. KASICH,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed the amendment in the nature of a substitute to H.R. 2491, the Seven-Year Balanced Budget Reconciliation Act of 1995, considered as adopted under the terms of the rule providing for further consideration of H.R. 2491. As provided by section 210 of the budget resolution for fiscal year 1996 (H. Con. Res. 67), CBO has projected the deficits that will result if the substitute is enacted. As specified in section 210, these projections use the economic and technical assumptions underlying the budget resolution, assume the level of discretionary spending allowed under the new statutory caps on appropriations that are contained in the substitute, and include changes in outlays and revenues estimated to result from the economic impact of balancing the budget by fiscal year 2002 as estimated by CBO in its April 1995 ''An Analysis of the President's Budgetary Proposals for Fiscal Year 1996.'' On that basis, CBO projects that enactment of the reconciliation legislation embodied in the substitute would produce a small budget surplus in 2002. The estimated federal spending, revenues and deficits that would occur if the proposal is enacted are shown in Table 1. The resulting differences from CBO's April 1995 baseline are summarized in Table 2, which includes the adjustments to the baseline assumed by the budget resolution. The estimated savings from changes in direct spending and revenues that would result from enactment of each title of the substitute are summarized in Table 3 and described in more detail in an attachment.

If you wish further details on this projection, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL.

Attachment.

TABLE 1.—PROPOSED HOUSE OUTLAYS, REVENUES, AND DEFICITS

[By fiscal year, in billions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Outlays:							
Discretionary	536	525	518	517	521	517	516
Mandatory:							
Medicare [1]	194	209	217	228	247	266	288
Medicaid	97	103	108	112	117	122	127
Other	501	525	553	583	614	638	671
Subtotal	792	837	878	923	978	1,026	1,086
Net Interest	257	260	260	260	258	252	247
Total outlays	1,584	1,623	1,656	1,700	1,758	1,795	1,849
Revenues	1,426	1,442	1,510	1,580	1,662	1,755	1,849
Deficit	158	180	146	120	96	40	−1

[1] Medicare benefit payments only. Excludes medicare premiums and graduate medical education spending.

Source.—Congressional Budget Office.

Notes.—The fiscal dividend expected to result from balancing the budget is reflected in these figures. Numbers may not add to totals because of rounding.

TABLE 2.—PROPOSED HOUSE BUDGETARY CHANGES FROM CBO'S APRIL BASELINE

[By fiscal year, in billions of dollars]

	1996	1997	1998	1999	2000	2001	2002	Total 1996–2002
CBO April baseline deficit [1]	210	230	232	266	299	316	349	NA
Baseline adjustments [2]:								
CPI rebenchmarking [3]	0	0	0	−1	−3	−6	−9	−18
Other adjustments [4]	1	1	1	2	2	1	1	10
Subtotal	1	1	1	1	−1	−4	−8	−9
Policy Changes:								
Outlays, discretionary:								
Freeze [5]	−8	−9	−12	−35	−55	−75	−96	−289
Additional savings	−10	−22	−29	−26	−22	−26	−28	−162
Welfare reform [6]	2	2	2	3	3	3	3	19
Subtotal	−16	−28	−38	−58	−74	−98	−120	−432
Outlays, mandatory:								
Medicare	−8	−15	−27	−40	−49	−60	−71	−270
Medicaid	−3	−7	−14	−23	−31	−41	−51	−169
Other	−14	−22	−22	−27	−29	−29	−31	−174
Subtotal	−25	−44	−63	−89	−109	−130	−153	−614
Net Interest	−2	−5	−9	−16	−27	−41	−60	−161
Total outlays	−42	−77	−111	−164	−210	−269	−333	−1,207
Revenues [7]	−8	33	38	40	39	39	41	223
Total policy changes	−50	−44	−73	−124	−171	−231	−292	−985
Adjustment for fiscal dividend [8]	−3	−7	−14	−23	−32	−41	−50	−170
Total adjustments and policy changes	−52	−50	−86	−146	−204	−276	−350	−1,163
House policy deficit	158	180	146	120	96	40	−1	NA

[1] Projections assume that discretionary spending is equal to the spending limits that are in effect through 1998 and will increase with inflation after 1998.

[2] The budget resolution was based on CBO's April 1995 baseline projections of mandatory spending and revenues, except for a limited number of adjustments.

[3] The budget resolution baseline assumed that the 1998 rebenchmarking of the CPI by the Bureau of Labor Statistics will result in a 0.2 percentage point reduction in the CPI compared with CBO's December 1994 economic projections.

[4] The budget resolution baseline made adjustments related to revised accounting of direct student loan costs, expiration of excise taxes dedicated to the Superfund trust fund as provided under current law, the effects of enacted legislation, and technical corrections.

[5] Savings from freezing 1996–2002 appropriations at the nominal level appropriated for 1995.

[6] Increases in statutory caps on discretionary spending to reflect shifts from mandatory spending to discretionary spending embodied in welfare reform provisions included in reconciliation bills. The cap adjustments are specified in Title XX of the bill.

[7] Revenue increases are shown with a negative sign because they reduce the deficit.

[8] CBO has estimated that balancing the budget by 2002 would result in lower interest rates and slightly higher real growth that could lower federal interest payments and increase revenues by $170 billion over the fiscal year 1996–2002 period. See Appendix B of CBO's April 1995 report. ''An Analysis of the President's Budgetary Proposals for Fiscal Year 1996.''

Source.—Congressional Budget Office.

Notes.—NA=not applicable; CPI=consumer price index. Numbers may not add to totals because of rounding.

TABLE 3.—HOUSE RECONCILIATION MANDATORY SPENDING AND REVENUE CHANGES BY TITLE

[By fiscal year, in billions of dollars]

Title	1996	1997	1998	1999	2000	2001	2002	1996–2002
I—Agriculture:								
Outlays	−0.9	−1.9	−1.9	−1.9	−1.9	−2.5	−2.5	−13.3
II—Banking and Financial Services:								
Outlays	−6.4	(1)	0.3	0.3	0.2	0.2	0.2	−5.3
Revenues [2]	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Deficit	−6.4	(1)	0.3	0.3	0.2	0.2	0.2	−5.3
III—Commerce:								
Outlays	−0.3	−2.9	−2.7	−4.0	−3.7	−3.2	−1.9	−18.7
IV—Economic and Educational Opportunities:								
Outlays	−1.4	−1.1	−1.3	−1.5	−1.6	−1.7	−1.7	−10.2
V—Government Reform and Oversight:								
Outlays	−0.6	−1.0	−1.0	−1.0	−1.0	−1.0	−0.9	−6.5
Revenues [2]	−0.2	−0.4	−0.6	−0.6	−0.6	−0.6	−0.7	−3.7
Deficit	−0.8	−1.4	−1.6	−1.6	−1.6	−1.6	−1.6	−10.2
VI—International Relations:								
Outlays	(1)	(1)	(1)	(1)	(1)	(1)	(1)	−0.1
VII—Judiciary								
Outlays	0.0	0.0	0.0	−0.1	−0.1	−0.1	−0.1	−0.5
VIII—National Security:								
Outlays	0.4	−0.6	1.1	0.4	0.3	0.2	0.2	2.1
IX—Resources								
Outlays	−0.1	−0.9	−0.2	−0.1	−0.6	−0.1	−0.1	−2.1
Revenues[2]	0.0	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Deficit	−0.1	−0.9	−0.2	−0.1	−0.6	−0.1	−0.1	−2.1
X—Transportation and Infrastructure:								
Outlays	(1)	−0.1	(1)	−0.6	−0.1	−0.1	−0.1	−0.8
XI—Veterans' Affairs:								
Outlays	−0.3	−0.3	−0.5	−1.2	−1.4	−1.3	−1.4	−6.4
XII—Ways and Means Trade:								
Outlays	(1)	(1)	(1)	0.0	0.0	0.0	0.0	(1)
Revenues[2]	0.5	0.3	0.1	0.0	0.0	0.0	0.0	0.9
XIII—Ways and Means Revenues:								
Outlays	−0.1	−2.6	−2.8	−2.9	−3.1	−3.2	−3.3	−18.0
Revenues[2]	−0.6	−1.4	−3.1	−4.0	−4.5	−5.1	−6.1	−24.9
Deficit	−0.8	−4.1	−5.9	−6.9	−7.5	−8.3	−9.4	−42.9
XIV—Ways and Means Tax Simplification								
Revenues[2]	0.2	0.6	0.9	0.7	0.7	0.8	0.8	4.7
XV—Medicare:								
Outlays:								
Medicare	−7.9	−15.1	−26.9	−39.9	−49.2	−59.9	−71.3	−270.2
Graduate medical education	0.0	1.3	1.5	2.3	3.1	3.6	4.0	15.8
Subtotal	−7.9	−13.8	−25.4	−37.6	−46.1	−56.3	−67.3	−254.4
XVI—Transformation of Medicaid:								
Outlays	−2.7	−6.9	−14.3	−22.6	−31.2	−40.8	−50.9	−169.5
XVII—Abolishment of Department of Commerce:								
Outlays	0.0	(1)	0.0	0.0	0.0	0.0	0.0	(1)
XVIII—Welfare reform:								
Outlays	−4.3	−13.4	−16.2	−18.4	−21.0	−22.1	25.2	120.6
XIX—Contract with America Tax Cut:								
Revenues[2]	−7.8	34.1	40.3	44.3	43.6	43.8	47.2	245.7
XX—Budget Process:								
Outlays	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals:								
Outlays	−24.7	−45.6	−64.8	−91.2	−111.1	−131.9	−155.0	−624.4
Revenues[2]	−7.9	33.3	37.6	40.4	39.3	38.8	41.3	222.7
Deficit	−32.7	−12.3	−27.2	−50.8	−71.8	−93.1	−113.7	−401.7
Interactive effects:								
Outlays	0.1	1.4	1.7	1.8	1.9	1.9	2.0	10.6
Totals:								
Outlays	−24.7	−44.2	−63.2	−89.5	−109.2	−130.0	−153.0	−613.8
Revenues	−7.9	33.3	37.6	40.4	39.3	38.8	41.3	222.7
Deficit	−32.6	−11.0	−25.6	−49.1	−69.9	−91.2	−111.7	−391.1

[1] Less than $50 million.
[2] Revenue increases are shown with a negative sign because they reduce the deficit.
Note.—Numbers may not add to totals because of rounding.
Sources.—Congressional Budget Office; Joint Committee on Taxation.

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

□ 0945

Mr. BEILENSON. Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON] for yielding me the customary 30 minutes of debate time, and I yield myself such time as I may consume.

Mr. Speaker, we strongly oppose the rule, and the legislation it makes in order—the budget reconciliation bill drafted by the Republican leadership.

The importance of the legislation before us cannot be overstated. It is a measure that makes drastic changes in a huge number of Federal programs and services; a measure that will directly affect virtually every American. Yet the rule for its consideration allows the House to consider only one substitute, and one motion to recommit. And, the rule limits the remaining time for general debate to just 3 hours, plus 1 hour for debate on the substitute.

It is true, as our friends on the other side of the aisle have pointed out, that this is a typical rule for a budget reconciliation bill. But this is not a typical reconciliation bill; it is not a bill that has been developed through the normal reconciliation process but, rather, one that has been brought to the House floor through actions of the Republican leadership that constitute an extremely serious abuse of the legislative process.

In years past, reconciliation bills were drafted in open committee meetings. When committees acted on their reconciliation instructions, Members of both parties had the opportunity to debate the issues and offer amendments. After committees acted, the Budget Committee reviewed and reported the final bill, and after that, the Rules Committee issued a rule for its consideration. All this was done in full view of the press and the public. In other words, reconciliation bills were the products of an open, democratic, deliberative, and accountable process. We knew what the bills contained, and who had agreed to the provisions in them.

The bill before us now, however, contains critical changes in agriculture programs, in the civil service retirement system, in tax policy, in the structure of a Federal department, and other important provisions that were not considered by the committees of jurisdiction, nor reviewed by the Budget Committee. Some of the provisions were not even finalized until last night.

These portions of the bill were drafted behind the closed doors of the Speaker's office, where decisions were also made to drop certain provisions from the committee reported version of the bill. Even as the Rules Committee was conducting its hearing yesterday—and even as general debate on the bill had begun on the floor—decisions were still being made by the Republican leadership about the contents of the plan we would be asked to vote on today.

We find the disregard for the normal legislative process that has been demonstrated by this process profoundly disturbing. We believe it is a huge injustice to the Members of the House and, far more important, to the people we represent.

And we, the Democratic minority, are not alone in our view of what is happening here. A recent editorial in Roll Call described what is going on by saying:

> Speaker Newt Gingrich is indisputably providing strong direction for the House, but in the process he and his hand-picked leadership are running roughshod over the congressional committee system and depriving minority Democrats, rank-and-file Republicans, and even committee chairmen of the power to shape legislation. The question arises: Is this democracy or rule by politburo?

That's not a Democratic sympathizer speaking; that's a newspaper that was equally, if not more, critical of the way the Democratic Party ran the House.

The point is, the bill before us did not arrive through the typical process, and therefore the highly restrictive rule for its consideration cannot be justified on the basis of the restrictive rules used for reconciliation bills in the past. At the very least, the rule for this particular reconciliation bill should provide the House with the opportunity to consider amendments to those sections of the bill that were drafted outside of the normal committee process.

We also object to the rule's waiver of clause 5(c) of rule XXI, which requires a three-fifths vote for any bill which contains a Federal income tax rate increase. That rule, as Members recall, was adopted at the beginning of this Congress to make it more difficult to pass an income tax rate increase.

We believe that the Republican reconciliation bill would raise income taxes on 8 million American working families because of the bill's change in the earned income tax credit. Members on the other side of the aisle have tried to assure us that, no, this bill does not raise income taxes. If that, in fact, is the case, we see no reason for the protection this rule provides against the three-fifths vote requirement for a bill that raises income taxes.

Mr. Speaker, of even greater concern to us than the procedural abuse we have seen in this year's reconciliation process is the actual legislation that process has produced.

Many of us applaud the fact that the Republican leadership set a goal of 7 years for bringing the Federal budget into balance. But we think that this particular plan reaches that goal the wrong way, and that the Republican leadership is misleading the American people by justifying the drastic spending cuts in their plan as necessary to reach a balanced budget. The fact is, it is not necessary to make such extreme spending cuts in order to balance the budget, and that will be clearly demonstrated by the Stenholm-Orton-Peterson plan that will be offered as an alternative to the Republican plan.

Furthermore, contrary to the rhetoric surrounding the Republican plan, the greatest significance of this measure is not its role in producing a balanced budget. Of far greater consequence is the fact that it will result in a monumental shift of resources from poor and middle-income Americans to the wealthiest Americans. It is a cruel, meanspirited, and misguided measure that will reward well-to-do Americans and special interests, and punish the poor.

What else but cruel can you consider a measure that provides a tax credit worth several hundred dollars per child for families earning $200,000, but not for families earning $20,000? That cuts taxes for the top 1 percent of earners by an average of $14,000, while raising taxes for millions of working families? What is fair about requiring hard-working, but low-wage American workers to foot the bill for a tax cut for doctors and lawyers and corporate executives and—yes—Members of Congress?

What else but meanspirited can you consider a bill that pulls the rug out from under working families by cutting not only the earned income tax credit, but also Medicaid, food stamps, child care assistance—the support that parents working in low-wage jobs need to stay off welfare?

What else but misguided can you consider a bill that raises the cost of student loans—the primary means available to moderate-income families to give their children a leg up in life? A bill that jeopardizes the retirement security of millions of working Americans by allowing corporations to raid workers' pension funds? And yet, at the same time, abolishes the alternative minimum tax that ensures that profitable corporations are not able to use multiple tax loopholes to escape paying taxes?

What else but wrongheaded can you consider a bill that provides special deals for industries that want to use the natural resources that belong to all Americans—giveaways of Federal resources for mining, timber, ranching, and oil and gas interests? And special deals for concessionaires in our national parks, and for ski operators in our national forests?

Mr. Speaker, this is a bad rule, for a terrible bill. I urge Members to vote ''no'' on the previous question, ''no'' on the rule, and ''no'' on the bill.

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

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the gentleman from Florida [Mr. GOSS], one of the Members of this House who has done more to bring about some fiscal sanity than others that I know and is a member of the Committee on Rules.

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from Glens Falls, NY [Mr. SOLOMON], the chairman of the Committee on Rules, for yielding me this time. I did want to underscore some of the points that he made in his excellent opening remarks.

This truly is a momentous day and certainly one of the most noteworthy in my short tenure as a member of this body. Before the sun sets today, we actually are going to pass a 7-year balanced budget plan that wipes out our national deficits and allows us to begin the process of paying down our enormous Federal debt. That is a major accomplishment and major good news for America.

We will deliver this product to the American people, because it is the right thing to do and because they have asked us to do it. No doubt we will continue to hear the words of doom, gloom, and fear from those on the other side who are still imprisoned in the status quo. Given the dire predictions and the red hot rhetoric we have already heard from the naysayers, some people might conclude that this is just about cuts, that we are gutting all that is great and good about America, instead of what we are really doing, which is excising layers of government fat that have grown up over the past 40 years.

In fact, it may surprise people to know that Federal spending under this proposal is actually slated to grow, I said grow, significantly in each of the 7 years ahead. In fact, this plan starts with an annual Federal spending program of $1.5 trillion and ends with an annual spending program that is a full $300 billion more than that. Yet in that 7th year, 2002, we will have also balanced the budget.

Now, how do we do that? It is possible because we are allowing our economy to grow. We are creating jobs, opportunities for Americans to work, opportunities to expand our economy, while at the same time we control the cancerous growth of rampant, runaway Federal spending which so many have closed their eyes to for so long.

Two years ago I stood in staunch opposition to President Clinton's budget reconciliation bill, the largest tax hike in history. Three years before that I opposed the deal worked out between President Bush and congressional Democrats. Both of these budgets had two basic flaws. They allowed for continued deficits as far as the eye could see, and they raised taxes at a time when we should have been addressing our chronic spending problem.

This year is different. We are eliminating redundant and wasteful spending. We are preserving and strengthening our vital health care programs, Medicare and Medicaid. We are reforming welfare, and we are allowing all Americans to keep more of what they earn by lowering taxes. It is their money, not Washington's.

Mr. Speaker, as one would expect, given a change of this magnitude, there have been disagreements on individual items within the package. Indeed,

there are several elements of this bill that remain troubling to me, but I have concluded that the fundamental and overriding interest of balancing the Federal books while unshackling the American people from the grip of excessive Federal Government far outweighs the drawbacks of certain of the items. In fact, Washington does not know it all.

Mr. Speaker, with all the rhetoric surrounding this debate, I recall the words of President Theodore Roosevelt who said, ''Aggressive fighting for the right is the noblest sport the world affords.'' We are today engaged in such a noble sport. We are preserving the integrity of the U.S. Government and the viability of America for our children, our grandchildren, our parents, and ourselves. I am proud of that effort, and I obviously support this rule to get us started along this 7-year path to balance the budget.

Notwithstanding the points from my good friend and colleague from California, Mr. BEILENSON, about management procedures, I believe that this is a fair rule and an appropriate rule for the reconciliaton budget process, and I certainly think it is fairer than the one we saw in the previous year. I urge support for the rule and support for the bill.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], our distinguished friend and the ranking Democratic member of the Committee on Rules.

Mr. MOAKLEY. Mr. Speaker, I thank my colleague from California for yielding.

Mr. Speaker, The more I look at this bill, the more horrified I become.

This bill is an enormous collection of heartless attacks on American children, senior citizens, and working families.

And the worst part, the most disappointing aspect of this whole horrible collection of mean-spirited cuts—is that they are made in order to lower taxes for the very, very rich.

Mr. Speaker, that is not why we were sent to Congress.

We were not sent here to cut $270 billion from Medicare on which 40 million seniors rely; We were not sent here to cut $182 billion from Medicaid, a program 4.4 million American children desperately need but will not get.

We were not sent here to cut $54 million from energy assistance for working families. And we certainly were not sent here to do all of that, in order to parcel out goodies to the very rich.

Mr. Speaker, I know it is too outrageous to believe but it is true without these Medicare cuts, this supposedly balanced budget has an $82 billion deficit.

Last week's Medicare vote and this vote are the same thing. Any one of my colleagues who votes for this bill is voting to put the squeeze on grandmothers, grandfathers, children, and working families, in order to give a tax break to the very rich.

This is an outrageous excuse for a bill and if it becomes law, it will mean some very dark days for many Americans.

This bill, takes from the mouths of babes, from the health care of seniors, from the education of students, and gives straight to the pockets of the rich.

I urge my colleagues to defeat the previous question.

□ 1000

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio [Ms. PRYCE], a new member of the Committee on Rules this year who brought wisdom and common sense to our Committee on Rules and our Congress, a former judge from Columbus, OH.

Ms. PRYCE. Mr. Speaker, I am pleased to rise in support of this rule. Once again, this House faces an historic opportunity to choose between the policies of the status quo or to chart a bold new path for the future.

The Democrats argue that we are going too far too fast. Yet many on our side of the aisle believe we have not gone nearly far enough. The truth is the Republican Congress has worked long and hard to bring us to this moment in time when we are about to pass legislation to end years of rapidly expanding Government and to start this pendulum swinging the other way. Very simply, the bill before us will shift the focus of Government from quantity to quality and from spending to service.

Mr. Speaker, our national debt is nearly $5 trillion. It is very hard for mere mortals to comprehend $5 trillion. So here is an example paraphrased from the Wall Street Journal that can help us understand. Let us say Congress will try to pay the $5 trillion national debt by putting $1 every second into a special account. If 1 million seconds adds up to 12 days, then 1 billion seconds is roughly 32 years. And 1 trillion seconds is nearly 32,000 years.

In order to pay off the debt, Congress would have to deposit $1 into the account every second for the next 160,000 years. That is more time than the amount of time that has passed since the Ice Age.

As our author of this legislation, the gentleman from Ohio [Mr. KASICH] told the Committee on Rules yesterday, if you had a business which lost a million dollars a day since the time that Christ walked on this earth, your business still would be far better off than this country is now.

Mr. Speaker, we have to get this under control. Lately many of my friends on the other side of the aisle have accused Republicans of being heartless, saying our budget is an attack on children. Yet a child born today will have to pay $187,000 in his or her lifetime just to pay the interest on this national debt.

So I ask, Mr. Speaker, what is so compassionate about spending money we simply do not have and then saddling our children and grandchildren with this enormous debt? Is it compassionate to condemn our children to a lower standard of living than we enjoy? The answer is clearly no. Further, it simply is arrogant to believe that Washington has a monopoly on compassion, that only Federal solutions can address problems on the State and local level.

Our plan, Mr. Speaker, suggests that there is more compassion at the level of local government with our Governors, with our mayors, with our city councils than there is in nameless, faceless Federal bureaucrats.

In closing, let me say that House Resolution 245 is a responsible rule. I urge my colleagues to adopt it and the underlying legislation so that we can begin to swing the pendulum back to an era of growth, productivity and financial security for our children and for future generations.

Mr. BEILENSON. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. WARD].

Mr. WARD. Mr. Speaker, when the budget resolution upon which today's bill is being based was considered by this body, I stood in this very spot to challenge it based on House rule XXI, which requires a three-fifths vote of the House in order to increase taxes, a measure that was supported by the gentleman from Texas [Mr. ARMEY] and the gentleman from Georgia [Mr. GINGRICH], and a rule that I wholeheartedly supported as a freshman on my first day here.

Speaker GINGRICH ruled me out of order by saying that the budget was a resolution, not a bill. He advised me to study the rules. Well, Mr. Speaker, I have studied the rules. I find that the issue before us today is a bill, and it should have this rule applied to it. But now I am told that after midnight, last night, today's debate was arranged in such a way that, although Speaker GINGRICH said on January 4 that no tax increase would take place without a three-fifths majority, that this bill would be exempt from that rule. If it is a tax increase, it should require a three-fifths majority; and, if the rule is being waived today, it must be a tax increase.

Mr. BEILENSON. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, our Republican budget chairman is correct. The pendulum of power has swung. It has swung smack-dab into the faces of American seniors, smack-dab into the faces of students trying to get a full education and into the faces of working Americans who want to claim a share of the American dream.

They give us a new sick tax for the old. They raise new barriers to education for the young and more taxes on working Americans. That is why we call this Republican bill wreckonciliation; it is a wreck for working American families.

Of course, they spell it different. They leave off the W. They call it reconciliation, like after a divorce. But you know, they are still so divorced from reality in America, the reality of what it is to work hard, to try to make ends meet for a family, the reality of what it is to survive on a Social Security check and rely on America, so divorced from a reality that their spokesman, our Republican colleague from North Carolina, thinks $183,000 is lower middle class.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I sit here in amazement when I listen to this. We are supposed to be responsible people. When you look at what we are doing with this budget, my colleagues, we are not cutting WIC. We are not cutting Head Start. We are not cutting Green Thumb. We are not cutting the RSV programs which are such good programs. We are not cutting school lunch programs.

Let me tell Members what we are doing. We are reconstructing this Federal Government. Do Members know how we are doing it? We are doing it the same way that business and industry are forced to do it in order to survive, to make a profit.

I want Members to listen to some of these words because if they read these bills here, this is what this contains. This does not contain cuts for the truly needy. My colleagues will not hear me mention one word about it.

This is what we are doing. We are merging. Ever hear that word before? We are consolidating. We are eliminating. We are privatizing. We are defunding, and we are outright abolishing dozens of antiquated, duplicative, and unnecessary bureaus, agencies, administrations, offices, commissions, and for the first time whole departments.

Do my colleagues know who is squealing like stuck pigs? It is the bureaucrats inside Washington, the taxers, the spenders, the regulators. These are the people that are being cut, and we are going to balance this budget no matter what because what is compassionate about piling this kind of irresponsible debt on our children and our grandchildren?

Mr. Speaker, you have grandchildren. I have four of them now. We are going to have some fiscal sanity in this body starting here today. This bill is going to pass with overwhelming support in this body, and we will bring about fiscal sanity.

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

Mr. BEILENSON. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, after all the distinguished chairman of the Committee on Rules has said about merging and acquisition and all that, they are cutting. They are not only cutting; they are gutting.

Balancing the budget is about balancing sacrifice. There is no balance of sacrifice here. People get to keep their own money, I hear. Let me tell you who is keeping their own money. Earn over $100,000 a year, you are about 1 percent of the population, you get to keep $2,400. Earn $350,000, you get to keep $14,000.

If you are in West Virginia and you are one of the 85 percent of our State that earns less than $50,000, you will pay $530 more out of pocket either in increased taxes or lost program benefits such as student loans and Medicare. Why is it that Medicare has to be cut $270 billion, when the Medicare trustees themselves, the stewards of the fund, say only $90 billion is sufficient? The reason is for a tax cut, a tax cut that goes to the wealthiest individuals in this country.

We are talking about balancing budgets. But we are not talking here about balancing sacrifice. West Virginians say we all know we have to come to the table. We all know we have to give something. But when 85 percent of the people are having to give directly out of their pockets, directly out of their middle class and middle income abilities to make sure that those over $100,000 are able to keep far more of their money, that is not balanced sacrifice.

Mr. Speaker, we must, oppose this resolution and this bill. This is about tax breaks for the wealthiest individuals, not about balancing budgets.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. ARMEY], the distinguished majority leader.

Mr. ARMEY. Mr. Speaker, I would like to just take a moment to point out that the previous speaker who opposes tax relief in this bill opposes tax relief for 155,000 working families in his home State of West Virginia, including 13,392 families who would have their entire Federal income tax burden eliminated by the budget bill that he opposes today.

Mr. BEILENSON. Mr. Speaker, I yield 30 seconds to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, the majority leader does not point out that he raises taxes on 70,000 working lower income West Virginians, those under $24,000 a year. He does not point out that the tax bill he supported 2 years ago would have greatly given the wealthiest a tax break while the lowest income West Virginians would have received a tax increase. He does not point out that he is taking money out of 300,000 senior West Virginians, 400,000 of those on Medicaid, 700,000 total.

Mr. DOGGETT. Mr. Speaker, will the gentleman yield?

Mr. WISE. I yield to the gentleman from Texas.

Mr. DOGGETT. Mr. Speaker, nor does he point out that every Texas grandmother and young child is worth half as much as one in New York under his bill.

Mr. BEILENSON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Speaker. I rise to reluctantly oppose the rule. I am reluctant because at least we will have an opportunity to present the coalition budget. But I oppose the rule because we only get 30 minutes to explain it, which simply is not enough. So let me take 45 minutes to point out one change in our budget.

We assume a change in the Consumer Price Index. The Consumer Price Index is an assumption, an economic assumption. Virtually all of the economists, including Alan Greenspan, have indicated that the CPI formula overstates inflation by up to a percentage point. Ours is not the only budget to make this assumption or make this change. In the Republican budget originally there was a six-tenths of a percentage change. There is now a two-tenths of a percentage change.

Let me simply say, I hope that we can really debate issues and we will not be attacked as raising taxes or cutting Social Security as a result of this. We have got virtually all of the Republicans on record who spoke in the debate of the original resolution saying that this is not any such tax increase. It is simply an economic formula change. I hope we will not get into that.

The Speaker has indicated that he in fact would support such a change if the President would, but somebody has got to step forward and propose it. We are doing that.

Mr. BEILENSON. Mr. Speaker. I yield 1 minute to our friend, the gentleman from Massachusetts [Mr. KENNEDY].

(Mr. KENNEDY of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. KENNEDY of Massachusetts. Mr. Speaker, in the words of the great movie ''Cool Hand Luke,'' what we have here is a failure to communicate.

We have Republicans accusing Democrats of being stuck in the old FDR policies, but the truth of the matter is, it is the Republicans that are stuck in the FDR era. Anybody that has benefited in any way from Government spending is the target of their cuts.

They go about providing a phenomenal tax cut to the richest people in this country, providing literally $20,000 a year to people with incomes above $350,000 and, at the same time, go about raising taxes on the some of the poorest people and the working families of this country. They cut off student loans. They go after the nursing home standards. They go after a $450 billion cut on Medicare and the Medicaid and senior citizens of this country.

Why not ask everybody to participate? Why increase the defense spending this year? Why provide a tax cut to the wealthiest people in the country? Why not ask corporate America to participate instead of lavishing on corporate American additional tax bennies? Why not ask us to stand up to Gallo Wine, to stand up to McDonald's hamburgers, to stand up to the mining

industry, the lumber industry, and all of the industries that have so many benefits that are sprinkled throughout this bill?

Let us come up with a balanced budget but let us do it with equity and equanimity in terms of this country's policies.

Mr. SOLOMON. Mr. Speaker. I yield 30 seconds to the distinguished gentleman from California [Mr. DREIER] a member of the Committee on Rules from Claremont, CA.

□ 1015

Mr. DREIER. Mr. Speaker. I appreciate the 30 seconds from the distinguished gentleman from New York [Mr. SOLOMON], my chairman, and I do so to simply point out that my very good friend, the gentleman from Massachusetts [Mr. KENNEDY], who appears to have left the floor here, opposes tax relief to 656,736 working families in his State of Massachusetts including 77,225 families who would have their entire Federal tax burden eliminated under the budget bill that he is opposing today, and I think it is a sad commentary.

Mr. BEILENSON. Mr. Speaker. I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Speaker, I am here this morning to tell the truth, and I appreciate the gentleman from California, my Republican colleague's unwavering support of $270 billion in Medicare cuts, but I am not sure if he realizes that 1,200 families in his district will be cut off the earned income tax credit and will be paying more taxes or not getting the benefit of the earned income tax credit by this budget reconciliation proposal.

Since, I have come this morning to the part of the truth squad, I know my Republican colleagues realize what the Budget Reconciliation Act means to Americans. It means they are going to be locked up and hauled off to jail as this picture reflects of a senior citizen in handcuffs taken away from the one Republican held hearing on Medicare. That is what happened in the U.S. Congress when someone came, an elderly citizen, to protest the Medicare cuts. The truth should be told on how severe these cuts will be on seniors, working families, children, and our youth.

We do not have a budget deficit problem which has been misrepresented by the Republican majority. What we have is a U.S. budget deficit that has fallen for the last three years. From a high of almost $300 billion to much lower and it is going down every year. We have the best economy in the Western World. Other nations, like Japan and Germany, are wondering how we do it. We have the lowest unemployment, but, as my colleagues know, what we need in America is for working men and women, to have higher incomes, we need to make sure Medicare is in place and we certainly do not need $270 billion in tax cuts, eliminating student loans and health care for our children. We need student loans for our children. We need health care through Medicare and Medicaid. This budget can be balanced with cuts that do not hurt working men and women.

This is what is happening to the American people. Stop the untruths, this debate today should be on how this budget should be for America not against America.

My Speaker, I add quotes from the following article for the RECORD:

U.S. BUDGET DEFICIT FALLS FOR 3D YEAR

(By John M. Berry)

The deficit hit a record $290 billion in fiscal 1992 before dropping to $255 billion in 1993 and $203 billion in 1994. Strong economic growth as well as the spending cuts and tax increases in Clinton's 1993 legislation have been responsible for bringing the deficit to its lowest level since 1989.

Mr. SOLOMON. Mr. Speaker, I yield 15 seconds to the gentleman from Claremont, CA [Mr. DREIER].

Mr. DREIER. Mr. Speaker, I thank the distinguished gentleman from New York [Mr. SOLOMON], the distinguished chairman, once again for being extraordinarily generous with his time, and I would like to simply point out that the gentlewoman from Texas [Ms. JACKSON-LEE], my friend, in opposing this bill is opposing tax relief to 2,016,767 Texans including 285,572 hard-working Texans who will be taken completely off the Federal income tax roll, and it is a very sad commentary on the representation made.

Mr. BEILENSON. Mr. Speaker, I yield 30 seconds to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Speaker, I thank the gentleman from California [Mr. DREIER] for his dutiful comment on my representation. Let say to him that I am proud of my representation because I know that the people in Texas will lose $24 million in Medicare over 7 years by this cut. Texas will see over 200,000 children lose medicaid coverage. Many of our Texas students who get student loans will also not get those student loans. Local health services for those using the Harris County Hospital District and those in need of mental health services being lost! And let me tell my Republican colleagues it is more important for me to stand for my constituents. They will be hurt by this budget reconciliation bill. This is an absolute travesty.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I just wanted to point out that in the gentleman from California's district 22,750 taxpayers will see their taxes increased under this proposal.

Basically what we are seeing here are huge cuts in Medicare/Medicaid and other programs for middle-income Americans and low-income Americans in order to pay for tax breaks for the wealthy. I wanted to just talk briefly about those low-income seniors, mostly windows, which were discussed last week on the Medicare bill, and how they are going to be negatively impacted by this Medicaid bill and the refusal of the committee on Rules to include a provision, an amendment, today that would have protected them.

Right now those seniors who are eligible for Medicaid have Medicaid pay for their part B premium under Medicare which means that that $46 per month, which will go up to and double under the Republican proposal to almost $90 per month that these low-income seniors have to pay in order to get their part B Medicare premium, that pays for their doctor's bill. Right now that is paid for by Medicaid, but this bill would eliminate that guarantee for those people, for those millions of widows and other low-income seniors, who right now have their doctor bills and their doctor benefits paid for by Medicaid.

Mr. Speaker, I went before the Committee on Rules yesterday, and I asked that that amendment be considered that would provide that guarantee, and we were denied that even though last week on the floor of this House at the conclusion of the Medicare debate the Speaker, Speaker GINGRICH, said that this legislation was going to provide that guarantee for those widows and for those low-income seniors. Mr. Speaker, I want all my colleagues to know that there is no guarantee in this bill for those individuals, particularly those widows. The Speaker said that he was going to provide the guarantee. There is no guarantee. When we went before the Committee On Rules and asked that that be placed in order today, we were told, no, it would not be considered.

I think it is really terrible that in a context where it is suggested and it is being implemented that all these major tax cuts for wealthy Americans and those low-income seniors will not have their physician's bills paid under this legislation.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, today's historic vote will have a profound impact on the people we were sent here to represent. As the debate draws to a close, Members must stand and be counted on a fundamental question, will we provide lavish tax breaks for wealthy people and for multinational corporations or will we protect Medicare for America's seniors. The Gingrich plan that the House will vote on today is a shameful payoff for the rich and well-connected special interests paid for by a $270 billion raid on Medicare, and the American people know it.

Thirty years ago another Congress took another historic vote to create a health care system for our Nation's seniors. Not a single Republican voted for that creation of Medicare, including the majority leader of the other body, and yesterday he bragged of that

vote saying that we knew it would not work.

On this side of the street Speaker GINGRICH joined the trashing of Medicare, and on Tuesday he revealed the real GOP plan to destroy Medicare. Speaker GINGRICH said that we did not get rid of it in the first round because we do not think that that is politically smart, and he further said that we believe that it will, Medicare will, wither on the vine.

Mr. Speaker, those comments to that extent are sour grapes for seniors in this country.

Today Republicans are closing in on their 30-year goal to end Medicare, but while Republican leaders say that Medicare does not work, America's seniors know that it does work, and for 30 years it has worked. It has stood for generations as a sacred compact between our Government and our seniors. It represents a core value system that has made this country great. It embodies the principle that citizens who work hard all their lives, raise their children, pay their bills, and play by the rules will not be thrown out onto the street in their sunset years.

This budget has nothing to do with saving Medicare or with paying off our debt. It has everything to do with tax cuts for the rich, and health care for the seniors is an easy target. When the bells sound for Members to record their votes, I hope my colleagues will put the American people before the special interests. The American people deserve no less.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Speaker, it pains me to get up here and have to talk about this subject, but it needs to be said.

I served here in the House in 1965 when Mr. DOLE voted against Medicare. I saw him do it, I heard him do it, and it pains me to hear that Speaker GINGRICH now says, yes, we have a plan to get rid of Medicare, but we cannot do it right now because, if we do, the seniors will get mad at us.

Mr. Speaker, let me tell the seniors this. This bill contains the Medicare cuts. The bill contains the end of Medicare. Let me tell the seniors where it is in this bill. It is in the fail-safe device that the Republicans put in this Medicare bill. It is tucked in their where we cannot see. We do not know it is going to hit us, but it requires the Secretary of HEW to make the cuts in Medicare, particularly in the fee-for-service part of Medicare, if all of their wonderful, dreamy goals are not met to cut $270 billion out of Medicare.

Mr. Speaker, it is all in this bill today, and Members of Congress should realize that when they vote for this today, particularly Republican Members of Congress ought to realize, that when they vote on this today, and listen to me, Mr. SOLOMON, listen to me, listen to me:

When you vote for this today, you're voting to end Medicare. You're voting to end Medicare. Don't be hoodwinked. It is in your proposal. It is in there in the fail-safe device that will put an end to Medicare, and the Gingrich-Dole plan to end Medicare is in this vote today.

This is a serious, serious matter. This is not just about balancing the budget. This is putting an end, this proposal that DOLE and GINGRICH have cooked up, to get rid of Medicare.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Loveland, CO [Mr. ALLARD], a very distinguished Member of this body.

Mr. ALLARD. Mr. Speaker, today, the 104th Congress will make history. We will enact a 7-year program that will balance the Federal budget for the first time in 33 years. For far too long, the Federal Government has lived too well. It has done so at the expense of hard-working Americans.

Deficits became a way of life for the Federal Government in the 1960's, 1970's, and 1980's. Unfortunately, they have continued into the 1990's. This plan marks a fundamental departure from the past by finally putting Uncle Sam on a diet.

This new Congress has kept its commitment to our children and grandchildren. We said we would balance the budget, and we will do it.

Last spring, defenders of the status quo defeated a balanced budget constitutional amendment. This was a setback, and many observers felt that Republicans would then simply abandon the hard work of actually balancing the budget. The skeptics were wrong. They misjudged our resolve.

Those of us elected to Congress in recent years have been particularly committed to changing the way the Federal Government does business. For years, as a veterinarian, small business owner, and State legislator, I watched one Congress after another squander our children's economic future. I grew sick of it.

Even when the American people elected Ronald Reagan as President in two successive landslides, the Congress ignored his desire to slow the growth of Federal spending. President Reagan was fond of saying that ''we could say they [Congress] spend money like drunken sailors, but that would be unfair to drunken sailors.'' At least ''the sailors are spending their own money.''

When I ran for Congress in 1990, I made one principle commitment to the people of Colorado, I would do everything I could to balance the Federal budget. That is why I am so proud to stand here today and cast what will surely be one of the most important votes I will ever cast.

Judging by the rhetoric of those who oppose this plan one might get the impression that it contains devastating cuts. This charge indicates how far removed from reality the defenders of deficits have drifted. This budget does not cut spending at all, it simply slows the rate of increase.

Let me review some very important numbers. Over the last 7 years Federal spending totaled $9.5 trillion. Over the 7 years of this balanced budget plan, 1996–2002, the Federal Government will spend a total of over $12 trillion. Where I come from that is an increase, and it is a very substantial one.

Similarly, for those who seem to think the family and business tax cuts are excessive, I point out that over the last 7 years total Federal tax receipts were just under $8 trillion, while over the next 7 years Federal tax receipts will total $11.2 trillion. That also is an increase. In fact, our tax cut reduces projected tax receipts over the next 7 years by only 2 percent. That's right, 2 percent less revenue. And we give the money back to the hard-working families who earned it in the first place.

The modest tax cut makes particular sense in light of President Clinton's revelation that even he believes the 1993 tax hike was excessive.

It is important to keep in mind why we must balance the budget. This endeavor is about much more than numbers. It is about the future standard of living for our children.

Much focus has been placed on the supposed pain of the budget restraint in our plan. This ignores the vast benefits of balancing the budget.

Federal Reserve Chairman Alan Greenspan has stated repeatedly that balancing the budget will have a dramatic positive impact on the confidence of American families. He has also made clear his belief that interest rates would drop significantly. This view is confirmed by a recent DRI/McGraw-Hill analysis for the National Association of Realtors. According to their data, the average 30-year mortgage will drop 2.7 percentage points. On a 30-year $50,000 mortgage at 8¼-percent interest, families would save over $1,000 a year in interest payments. Now that is a real difference in people's lives.

Similarly, college loans would be much more manageable. A college student who borrows $11,000 at 8-percent interest will pay more than $2,000 less in total interest payments if rates drop just 2 percent.

Another example comes with the farm sector. While this budget reduces farm payments by $13 billion over 7 years, the Agriculture Committee estimates that a 1.5-percent reduction in interest rates will save farmers over $15 billion in payments on the outstanding farm debt over the next 7 years. And under our Freedom to Farm plan those farmers will have much more freedom to plant the crops they wish. They will also run their farms with fewer Agriculture Department bureaucrats lending a helping hand.

These are just a few examples of how lower interest rates will help families and our economy. Younger generations will benefit from lower rates for decades to come.

But it is not just the young who benefit from this budget, it is also seniors. This is a senior friendly budget. We do not touch Social Security, and we still increase Medicare spending by 6.5 percent a year. In the process we give seniors much greater freedom and control over the expenditure of their health care dollars.

I have been particularly gratified by the large number of letters I have received from seniors who say ''just do it!'' They realize that some sacrifice will be required of them, but

they want the budget balanced, an they know that we strengthen Social Security and Medicare by getting our fiscal house in order.

Last year, we made a contract with America. This balanced budget represents the very essence of that contract—a Federal Government that will be smaller, less intrusive, and more efficient. We have kept our contract, and in so doing we have done more to restore faith in our form of government than has been done in many years.

□ 1030

Mr. BEILENSON. Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

(Mr. RICHARDSON asked and was given permission to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, although I support a balanced budget, this Republican bill is too extreme. It takes our country in the wrong direction.

I want to make it clear to the American people exactly what is wrong with this bill.

The Republican bill cuts student loans and forces students and their parents to bear the burden of paying even more for a college education.

It makes excessive cuts to Medicare by increasing the average senior's out-of-pocket cost by nearly $400 per year in order to give a tax break for the wealthy.

It makes deep cuts in long term care that will raise the cost for nursing homes and will force seniors out of nursing homes, or bankrupt their families who are trying to care for their parents and grandparents.

It eliminates the guarantee of Medicaid by threatening the health care of over 36 million low-income children, elderly, and disabled Americans—our most vulnerable Americans.

It curbs the quality of nursing homes for elderly Americans by repealing the minimum Federal requirements.

And it cuts the earned income tax credit which provides a modest tax break for the lowest-income families. These EITC cuts are a tax increase on the lowest-income working families in our country.

I am pleased that there will be a strong democratic alternative that has been praised by the Washington Post as a respectable, disciplined alternative that is easily the best horse in the race. It will balance the budget by 2002 without the extreme cuts in Medicare, it gets rid of any tax cut until the budget is balaned, it preserves the tax credit for the working poor, and it does not cut education.

Mr. Speaker, it is time to get our House in order, yet it should be done the smart way. The Republican bill only burdens hard-working, middle class Americans for the benefit of the wealthy and it must be defeated.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Speaker, when the Republican Contract With America tax act came to the floor a few months ago, I raised the point that that was in violation of the law that was passed at the very beginning of this session, that any tax increase required a three-fifths vote of this Congress. At the time, the Parliamentarian accepted what was certainly a specious judgment on the part of the Joint Tax Committee, that it did not in fact increase taxes. Subsequently, the Parliamentarian has conceded that it did, and in fact should have been required to have a three-fifths vote of this Congress in order to pass the House.

What has occurred subsequently, Mr. Speaker, is a recognition that much of our tax legislation does in fact violate that law that we chose to apply to ourselves, at least the Republican side of the aisle chose to apply it, but I think the vast majority of us agree, and what is most troubling is that in the biggest bills, for example, in the Medicare bill that we just took up, a $270 billion bill, the rule waived this three-fifths requirement.

There are some taxpayers who will in fact pay a 50 percent tax increase on the part B Medicare insurance premium. They are not aware of that. Most Members in the Congress are not. Certainly, it is in gross violation of the three-fifths requirement. That is why it was waived.

Again today, this rule waives that three-fifths requirement. I understand the argument that was raised, although I certainly cannot agree with it. Essentially what we are saying is it is inconvenient to apply it. There are several ways in which we violate the law that we earlier enacted. We passed a law that said that we ought to abide by the laws we apply to the private sector. Certainly, we ought to comply with the laws that we pass for ourselves. We ought not waive it when in fact it is inconvenient. That is what we are doing today.

I could cite several instances where there is, in fact, an income tax increase in this bill that in fact does require that there ought to be a three-fifths rule in order to pass it. I grant you, we will lose the vote on this rule, but the American public needs to know that a rule that they thought was going to protect them is being waived as part of this rule.

The biggest one is an income tax increase that will apply to low-income citizens. I have a long list of every one of the leadership of the Republican side of the aisle here saying that this three-fifths vote was going to protect all Americans. It did not say ''all Americans of higher income,'' it did not say ''all Americans except those of low-income.'' It said all Americans, but today low-income Americans will pay much more in taxes that they cannot afford if we were to pass this bill.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. BONIOR], the Democratic whip.

Mr. BONIOR. Mr. Speaker, we've heard talk about this budget. But there's one thing that supporters of this budget have never understood.

They've never understood the soul of this Nation.

They've never understood the poetry that is America.

The dignity of a senior who doesn't have to beg to see a doctor.

The grace of a woman with a disability able to live on her own.

The pride of a student who's earned the grades to go to college.

The self-respect of a mother working her way out of poverty.

People who just need a chance. Who just need someone to believe in them.

This budget doesn't reward the best in us. It appeals to the worst in us.

It doesn't reward our best instincts. It tramples our most basic values.

We're told that this is a courageous budget. But there's nothing courageous about cutting Medicare, Medicaid, and student loans just to pay for tax breaks for the wealthy.

We're told that Medicare is being saved. But Tuesday, the Senate majority leader bragged he was proud of his 1965 vote against Medicare saying ''we knew it wouldn't work.''

And yesterday Speaker GINGRICH himself told an insurance group, quote, ''We don't get rid of (Medicare) in round one because we don't think that that's smart politically but we believe it's going to whither on the vine.''

This budget doesn't save Medicare, it destroys it. And now we have it straight from the horse's mouth.

This budget is nothing but the biggest transfer of wealth from seniors and working families to the wealthy in the history of America.

I say to my Republican friends: don't come to this floor today and tell us that this isn't a tax break for the wealthy. Because 106 members of your own conference once signed a letter that said it was a tax break for the wealthy.

And don't tell us that families will pay less under this budget. Because the bipartisan Committee on Taxation says that 7 out of 10 families will pay the same or more.

It wasn't a Democrat who said, and I quote, ''this is a tax increase on low income workers and the poor which is unconscionable at this time.'' That was Jack Kemp—a Republican.

If this isn't a tax increase then why did you have to wave the rule that says all tax increases require a vote of three-fifths of this House?

Mr. Speaker, the American people deserve better. We may not have the votes to beat this rule. We may not have the votes to beat this budget. But we do have the votes to sustain a veto.

I urge my colleagues: Stop this tax increase on families. Stop this destruction of Medicare. Stop this war on our kids. And say no to this shameful budget.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. DREIER], a member of the Committee on Rules and one of the most fiscally conservative Members of this body.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, 3 years ago next month I had the opportunity, having worked hard in his campaign, to vote for the reelection of George Bush. Like most Republicans, I was saddened

that he was not reelected, but it really began a new day for me. I was elected in 1980 and had served for 12 years with Republican Presidents. I was ready to take on this new experience of serving with a Member of the opposing political party down at 1600 Pennsylvania Avenue.

A few weeks after the election I wrote on Op-Ed piece in the Los Angeles Times. The L.A. Times has been held up here this morning. In that piece I talked about the fact that if Bill Clinton remained a new kind of Democrat, as he said he was throughout his campaign, I would do everything that I possibly could to support him.

In fact, throughout his campaign, remember, he talked about a balanced budget. That is exactly what we are pursuing with this legislation. He talked about health care reform. We are going at it a slightly different way than he probably had envisaged in his campaign in dealing with Medicare, but he nonetheless did talk about health care reform. He talked about welfare reform, individual initiative, and responsibility. That is exactly what we are working on in this legislation.

He also talked about the need for us to move ahead with reducing the tax burden on middle-income working Americans. We know that 75 percent of the tax reduction in this package goes to people earning less than $60,000 a year. He also talked about reducing the capital gains tax rate. Why? Because he knew that encouraging savings and investment and productivity would be key to economic growth.

It seems to me that, as we look at these items, along with his desire to reduce the regulatory burden that he outlined in his campaign, we, with this reconciliation package, are in fact helping him keep his campaign promises of 1992.

Mr. Speaker, I believe that while the gentleman from New York [Mr. SOLOMON] and the gentleman from Florida [Mr. GOSS] and I were yesterday in the Committee on Rules saying ''Gosh, if you look at the fact that over the next 7 years we are going to see a 24-percent increase, a 24-percent increase in the level of Federal spending,'' that gives some of us a little concern. What it does is it shows that we are willing to recognize that there is a Democrat in the White House, there are Democrats in both Houses of Congress, and we are trying to do this in a bipartisan way.

Tragically, rather than recognizing that it is a 24-percent increase, all they do is describe it as draconian cuts. We are working to protect, preserve, and strengthen the Medicare system, contrary to anything that has been said on the other side of the aisle. Actually, this package does just that.

One of the great concerns in my State of California happens to be the issue of illegal immigration. While we are working toward a balanced budget we are actually including three times as much as the President does in his budget to deal with the issue of illegal immigration.

Reimbursement for Medicaid. We also, in this package, are looking at reimbursement to the States for the incarceration of illegals. This rule will deal with that issue, the Bliley amendment.

It seems to me that we have a great responsibility as Members of Congress to try to come together in a bipartisan way. I am very happy to say that our party does have the majority that we need to pass this very important measure, so we can get on that glidepath toward a balanced budget, so we can in fact reduce the tax burden on working Americans, and so we can, as a byproduct of that, decrease interest rates and put into place the kind of government that the American people desperately want.

Mr. Speaker, I urge an ''aye'' vote on this rule, and an ''aye'' vote for the reconciliation package.

Mr. BEILENSON. Mr. Speaker, I yield myself the remainder of our time.

The SPEAKER pro tempore. The gentleman from California [Mr. BEILENSON] is recognized for 30 seconds.

Mr. BEILENSON. Mr. Speaker, I would say first of all to my friend, the gentleman from California, that 22,750 working families in his own district will have their taxes raised by this bill that they are so strongly supporting.

Mr. Speaker, I urge defeat of the previous question. If the previous question is defeated we shall offer an amendment which would do two things: Strike the increase on taxes on 8 million American working families that the bill causes by cutting the earned income tax credit; and it would, second, strike the provision in the rule waiving the requirement for a three-fifths vote on any measure carrying a Federal income tax increase.

Mr. Speaker, I include our amendment for the RECORD, and I urge a ''no'' vote on the previous question.

The amendment referred to is as follows:

On page 3, lines 1 and 2, strike ''modified by the amendments printed in the report'' and insert ''modified by the amendments printed in section 3 of this resolution and in the report''.

On page 4, lines 7 through 9, strike ''Clause 5(c) of rule XXI shall not apply to the bill, amendments thereto, or conference reports thereon.''

At the end of the resolution, add the following new section:

''SEC. 3. Strike sections 13701 and 13702 (relating to earned income tax credit) and redesignate succeeding sections accordingly.''

Mr. SOLOMON. Mr. Speaker, I yield myself the balance of our time.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLOMON] is recognized for 3¾ minutes.

Mr. SOLOMON. Mr. Speaker, I just have sat here for an hour in total amazement, because I have heard speaker after speaker after speaker after speaker stand up and say ''We need to spend more money here, we need to spend more money there.'' Mr. Speaker, we have been spending more money here and more money there for years and years. We have just about ruined this country.

It means so much to young people today to be able to have a job and to be able to take home enough pay to save a little bit of money each week in order to accumulate a downpayment on a home, and then to have enough money in their take home pay to meet a mortgage, and then to have children. That is what I did with my family many years ago. We had five children almost right in a row, and then we had to educate them all and put them in college at one time, but we were able to accumulate a little bit of money in order to buy that home and to educate those children. Today, they cannot do that, because the Government takes so much money out of their pocket. I hear that we are cutting this budget.

When some of our colleagues were going to the Speaker, the gentleman from Georgia [Mr. GINGRICH] and complaining that we were cutting too much, or they wanted to spend more here, I went to him and said ''Mr. Speaker, I don't think we are cutting enough. We are going to spend $3 trillion more over the next 7 years than we spent in the last 7 years. That is an increase in spending almost across the board. It is not enough.''

□ 1045

Mr. Speaker, I say to my colleagues, it is a giant step in the right direction.

We have a $5 trillion debt today, and that costs the taxpayers $250 billion in interest just to pay the Netherlands and Great Britain and the foreign countries that hold our debt, $250 billion that we cannot use to spend on truly needed programs. When President Clinton gave us a budget this year, it called for $1 additional trillion added to the national debt. Mr. Speaker, I ask my colleagues what that would have done to that interest payment. It would have increased it by another $100 billion.

God forbid in inflation had set back in like it did in the late 1970's under President Jimmy Carter at 10 and 11 and 12 percent. That interest payment annually would have grown to $600 billion. Every time you spend more money on interest, you have less money to help the truly needy.

The fiscally responsible thing to do is to support this rule and support this bill. We have to do it for the future of this country, and I urge support for the rule and the bill.

Mrs. COLLINS of Illinois. Mr. Speaker, I oppose this rule for a number of reasons.

This rule would send to the floor provisions which increase payroll taxes on Federal employees and increase agency pension costs which have never been reported by any committee. It does so for one simple reason: to finance tax cuts for the wealthy.

You can forget all of our chairman's talk about shoring up the fiscal stability of the Federal retirement system. Both the General Accounting Office and the Congressional Research Service have confirmed that the system is sound and that it will always have sufficient assets to cover benefit payments to future and current retirees. There is no retirement crisis. These increases are unnecessary.

With respect to the Department of Commerce, the Republican leadership has chosen to ignore the work of at least five committees that marked-up this legislation. By doing so, the leadership also trashed the rules and procedures which are in place to ensure that this body functions as a democratic institution.

I find it disingenuous that the Republican leadership abolishes the Minority Business Development Agency. They are still funding the Market Promotion Program to promote hamburgers overseas, but they abolish the only agency willing to help minority-owned business get access to markets.

Third, Mr. Speaker, I strongly oppose any effort to include the Debt Collection Improvement Act as part of reconciliation. This is a violation of committee procedure, and a violation of good faith.

Take my word for it: Members on both sides will regret passing this bill that takes money from the checks of poor Social Security recipients, and requires our elderly constituents to use automatic funds transfers at a bank to collect their Social Security.

Mr. NEAL. Mr. Speaker, I oppose this rule. This budget includes many provisions that harm hardworking Americans. Several of these provisions do not belong in reconciliation. They deserve a separate vote. The House should have a conversation on these provisions.

An example of these provisions is the earned income tax credit [EITC]. The EITC will be drastically cut. The incentive to get off welfare and to work will be gutted. Jack Kemp testified on October 19 before the Senate Small Business Committee and stated

> ''I hope you guys do not go too far on removing the EITC because that is a tax increase on low income workers and the poor which is unconscionable at this time.''

Another example is the corporate pension reversion provision. I went to the Rules Committee with several of my colleagues and requested that we have a separate debate on this provision. We were denied. Corporations should not be allowed to raid pension funds.

There are many provisions in this budget that are unconscionable. Let's go back to the drawing board and come up with a budget that we can be proud to present to the people we represent.

Mr. SOLOMON. Mr. Speaker, I yield back the balance of my time, and I move the previous question.

PARLIAMENTARY INQUIRIES

Mr. MORAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. BURTON of Indiana). The gentleman will state it.

Mr. MORAN. Mr. Speaker, am I correct that the rule that we are about to vote on waives the requirement of a 60-percent majority for a bill carrying an income tax rate increase?

The SPEAKER pro tempore. That is correct.

Mr. MORAN. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MORAN. On April 5, more than 6 months ago, I came to this well and raised a point of order on a provision of the Contract With America Tax Relief Act. It was H.R. 1215 that repealed section 1(h) of the Internal Revenue Code affecting the maximum rate for long-term capital gains.

While the intent of this provision was to lower the capital gains rate, it actually increased the tax rate on the sale of certain small business stocks from 14 percent under current law to 19.8 percent. At that time, the Speaker ruled that this tax increase was not subject to the three-fifth rule.

In a June 12 letter, however, from House Parliamentarican Charles Johnson, it appears that the ruling was made in error, and the original point of order should have been sustained.

Mr. Speaker, am I correct in my summation?

The SPEAKER pro tempore. Traditionally, the Chair does not rule on hypothetical questions or rule in advance on questions not yet presented. The Chair so responded to a parliamentary inquiry on October 19 during the consideration of a special order waiving the precise rule proposed to be waived by the pending special order. In other words, the Chair will not presume to respond to a question that is not presented as a matter in which the Chair might be required to hear argument and render a decision.

Mr. MORAN. Mr. Speaker, a further parliamentary inquiry then.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MORAN. Is it possible to waive this rule by a simple majority which was advertised by its sponsors as requiring a 60-percent majority for income tax rate increases, or does this rule need a 60-percent majority for its adoption?

The SPEAKER pro tempore. Adoption of this rule only requires a majority vote.

Mr. MORAN. Despite the fact that it is waiving a rule that required a 60-percent majority?

The SPEAKER pro tempore. That is correct.

Mr. MORAN. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MORAN. Is it true that the bill before us today contains other tax increases that would make this bill subject to a three-fifths vote?

These additional taxes include a 50-percent tax penalty on Medicare-plus medical savings accounts withdrawals for any purpose other than medical care.

Mr. SOLOMON. Mr. Speaker, regular order. The gentleman is making a speech.

Mr. MORAN. Mr. Speaker, I am explaining the parliamentary inquiry.

The SPEAKER pro tempore. The Chair cannot rule on a bill that is not yet before the House.

Mr. MORAN. Mr. Speaker, the parliamentary inquiry applies to the rule that is before us and is about to be voted on.

The SPEAKER pro tempore. The Chair has already ruled on that.

Mr. MORAN. Mr. Speaker, I am itemizing six tax rate increases that should have required a three-fifths vote, and I want to clarify that it would trigger a three-fifths vote.

The SPEAKER pro tempore. The Chair would point out that what the gentleman is referring to may be in a bill that is not yet before the body, and the Chair cannot rule on that until it is before the body, and the Chair has already ruled on the matter before us.

Mr. MORAN. Mr. Speaker, if I may further clarify my intent, this is establishing a precedent.

Mr. SOLOMON. Mr. Speaker, regular order. This is not a parliamentary inquiry. Let us get on with it. Come on.

The SPEAKER pro tempore. The adoption of this rule will waive the rule that the gentleman is currently citing. The gentleman's questions are hypothetical at this point.

Mr. MORAN. Mr. Speaker, I would ask unanimous consent that the very real six tax increases that are contained in this bill be put into the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

Mr. SOLOMON. Mr. Speaker, I object.

The SPEAKER pro tempore. The objection is heard.

Mr. DOGGETT. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DOGGETT. Mr. Speaker, is the supermajority, the alleged taxpayer protection provision rule that is being suspended here the same rule that was suspended last week in the Medicare debate?

The SPEAKER pro tempore. The Chair has just cited that it is clause 5(c) of rule XXI that is being waived.

Mr. DOGGETT. So it was waived last week and waived this week.

Mr. Speaker, is this supermajority protection for taxpayers as alleged in permanent suspension, or will it ever be applied?

The SPEAKER pro tempore. That is not a correct parliamentary inquiry.

Mr. MORAN. Mr. Speaker, may I inquire of my friend from New York, Mr. SOLOMON, the chairman of the Committee on Rules, if he understands that I was only attempting to put information into the RECORD.

Mr. SOLOMON. Mr. Speaker, the previous question has been moved. If the gentleman wants to do it during the debate on the bill, that is one thing, but we have moved the previous question and we want to get on with the business. The gentleman knows that.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the resolution.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 228, nays 191, not voting 13, as follows:

[Roll No. 738]

YEAS—228

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—191

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Barton
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fazio
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Traficant
Velazquez
Vento
Visclosky
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—13

Crane
Fattah
Fields (LA)
Greenwood
McIntosh
Mfume
Miller (CA)
Sisisky
Talent
Towns
Tucker
Volkmer
Weldon (PA)

□ 1112

Mr. BARCIA changed his vote from ''yea'' to ''nay.''

Messrs. DELAY, HEINEMAN, and GORDON changed their vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BURTON of Indiana). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BEILENSON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 235, noes 185, not voting 12, as follows:

[Roll No. 739]

AYES—235

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White

Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—185

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Filner
Flake
Flanagan
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Minge
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Traficant
Velazquez
Vento
Visclosky
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—12

Brown (FL)
Crane
Fields (LA)
Greenwood
Mfume
Miller (CA)
Sisisky
Talent
Towns
Tucker
Volkmer
Weldon (PA)

□ 1121

Mr. BAESLER changed his vote from ''aye'' to ''no.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. WALDHOLTZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just adopted.

The SPEAKER pro tempore (Mr. BURTON of Indiana). Is there objection to the request of the gentlewoman from Utah?

There was no objection.

LIST OF TAX INCREASES WHICH SHOULD REQUIRE A THREE-FIFTHS VOTE FOR PASSAGE

Mr. MORAN. Mr. Speaker, I ask unanimous consent to include a list of the six tax increases that require a waiver of the three-fifths vote into the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The list referred to is as follows:

These are a total of six tax increases in this bill. These increases are in direct violation of a law enacted on the first day of this session, which should require a three-fifths vote for passage. These tax increases are the following:

First, a 50 percent tax penalty on Medicare Plus Medical Savings Accounts for any purpose other than medical care;

Second, the Medicare Part B income contigent premium;

Third, repeal of the 5-year income averaging rule on lump sum pension distributions;

Fourth, increase in the phase-out rate for the Earned Income Tax Credit;

Fifth, the new rates applied to expatriates; and

Sixth, the new tax imposed on gambling income of Indian tribes.

Mr. Speaker, would any or all of these tax increases trigger the celebrated rule requiring a three-fifths vote majority for approval? Since your answer is yes, but for the waiver of the rule by the Republican leadership, it is important to note Mr. Speaker, when the history of this Congress is written, the main theme will be about the majority's unrelenting attack on the poor and defenseless in our society, but a chapter, however, should be reserved for its hypocrisy which is clearly evident today.

PERSONAL EXPLANATION

Mr. RANGEL. Mr. Speaker, travel delays last Tuesday, October 24, prevented me from casting my vote on H.R. 1595, the bill to move the U.S. Embassy to Jerusalem.

I would have voted ''yes'' on the bill had I been present for the vote.

SENSE OF CONGRESS REGARDING SOCIAL SECURITY EARNINGS TEST REFORM

Mr. HASTERT. Mr. Speaker, pursuant to House Resolution 245, I call up the concurrent resolution (H. Con. Res. 109) expressing the sense of the Congress regarding the need for raising the Social Security earnings limit, and ask for its immediate consideration.

The SPEAKER pro tempore. Is the gentleman the designee of the majority leader?

Mr. HASTERT. Yes, Mr. Speaker.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman for Illinois [Mr. HASTERT] will be recognized for 10 minutes, and the gentleman from Indiana [Mr. JACOBS], who I presume is the designee of the minority leader, will be recognized for 10 minutes.

The Chair recognizes the gentleman from Illinois [Mr. HASTERT].

Mr. HASTERT. Mr. Speaker, I yield myself 1½ minutes.

Mr. Speaker, the purpose of this resolution, which Senator DOLE and Senator MCCAIN will be introducing in the other body, is very straightforward. Because of the unique rules of the other body, it is not possible for us to lift the Social Security earnings limit in the reconciliation bill before this House today.

But an overwhelming majority of this House and of the other body favor such a move. In fact, the President of the United States, in his 1992 campaign platform ''Putting People First'' also expressed his commitment to lifting the Social Security earnings limit.

We all agree that it is simply wrong to penalize low and middle income seniors who must work, with a tax rate equal to that of millionaires. These seniors are some of our most productive and responsible workers. They are working to provide for themselves. They do not want to be a burden to their families or the taxpayers of this Nation. We should be rewarding such behavior, not penalizing it.

Mr. Speaker, my resolution is intended to do two things. First, it restates the commitment of this House to lift the Social Security earnings limit this year. We have already passed a measure in this House to lift the earnings limit on Social Security and we expect our colleagues in the other body to take it up shortly.

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

Mr. JACOBS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I rise because I support increasing the Social Security earnings test. I believe that we should be encouraging work for all Americans, especially those who have a lifetime of experience. The current annual Social Security earnings limit of $11,000 penalizes too many who want to work after 65.

I know that many workings seniors will be disappointed today that the increase in the Social Security earnings test passed earlier this year by the House is going to be dropped by the reconciliation bill. instead, we are voting today on a resolution which merely states that Congress intends to address this issue and I thank the gentleman for this resolution, but when we do raise the earnings test, let us make sure we do so without adversely impacting the Social Security trust funds.

We do not want to reduce the solvency of the funds that guarantee every retiree a return on the money they paid into the system. Let us again find a responsible, sensible way to increase the earnings test, so that all

Americans can get a fair return for their hard work.

And let us make sure, Mr. Speaker, the earnings test applies to all people on Social Security. We should not encourage some over 65 to work and then discriminate against others, and this year, when we did pass this earnings-test increase, we discriminated against an individual over 65 who was blind. This is not fair. We should raise the limit for all people over 65 so they get a return on their hard work, and I thank the gentleman for this resolution.

Mr. HASTERT. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. ARCHER], the chairman of the Committee on Ways and Means.

Mr. ARCHER. Mr. Speaker, I thank the gentleman for yielding this time to me. This issue is something that has been one of my top priorities since I came to the Congress over two decades ago, raising the unfair earnings limit on seniors who want to work and continue to contribute to themselves and to their country once they have passed the retirement age of 65. It is nothing more than a tax on working, and it sends the wrong message to American seniors.

Last fall we promised seniors that we would pass legislation to raise the earnings limitation, and on April 5 we did, raising it to $30,000 by the year 2000 as part of our tax bill under the Contract With America. Then, as with all legislation, it was the Senate's turn to act on the provision. Unfortunately, the Senate did not. And, as we know all too well, without the cooperation of the Senate, no legislation is possible, no matter how strongly the House may feel about it.

Now the House will act today on its historic budget reconciliation bill. Because an arcane Budget Act rule would put the entire budget reconciliation bill at risk in the Senate if it included any Social Security provisions, at the request of the Senate we did not include the earnings limitation provision in the House budget reconciliation bill.

□ 1130

Nothing is more important to Americans of all ages than achieving a balanced budget, which the budget reconciliation bill today will do, but it is also important to let working seniors know that we remain totally committed to raising the unfair limit on earnings. That is why we introduced a concurrent resolution yesterday. It makes it clear to working seniors that we in the House remain committed to raising the earnings limit, separate from reconciliation, and that our colleagues in the Senate now join us in that commitment.

The House has already passed a bill to raise the earnings limit. It does not need to pass another. Now that Senate leaders have promised that the Senate will act, I am confident that the increase in the earnings limit that means so much to working seniors will become a reality. I have worked hard to see this happen for over two decades, joined in the Senate by Barry Goldwater as the leader sponsor until the year he retired.

The gentleman from Illinois [Mr. HASTERT] is to be commended for his efforts that have gone on for several years, as is the gentleman from Kentucky, JIM BUNNING, the chairman of the Subcommittee on Social Security of the Committee on Ways and Means.

I appreciate the support of the Speaker and the majority leader in this effort. This change is long overdue, because it means so much to hard-working seniors, and we will do everything that we can, and certainly I, as chairman of the Committee on Ways and Means, to see that it comes to pass.

Mr. JACOBS. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Speaker, the resolution we are considering today expresses the sense of Congress that the Social Security earnings limit should be increased. The timing of this concurrent resolution is very interesting, and very telling of what is really happening here today. Did the Republicans not promise senior citizens across Ameica that this year, this year, they would increase the Social Security earnings limit from the current $11,200 to an eventual $30,000 per year in the year 2000? Was not increasing the Social Security earnings limit part of the original reconciliation package? Why now is it being pulled at this moment?

The answer as to why this provision has been pulled from the bill we are considering today is quite simple: The Republicans have made a promise that they cannot and will not keep. They are finding a difficulty associated with saying on one hand they can quickly and easily balance the budget while saying on the other they can deliver on the many promises that they have made. Today the veneer is peeled off. We are witnessing exactly what is really happening.

Mr. HASTERT. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, I would just like to remind the gentleman from Massachusetts [Mr. NEAL], that the President of the United States said that he would lift the earnings test in 1992, and we have not seen that happen. We are doing it today, and we will make sure that it is done.

Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky [Mr. BUNNING] who has been a leader on this issue for the last 8 years.

(Mr. BUNNING of Kentucky asked and was given permission to revise and extend his remarks.)

Mr. BUNNING of Kentucky. Mr. Speaker, I rise in support of House Concurrent Resolution 109.

Mr. Speaker, on this historic day, it's important to talk about promises made—and promises kept—to senior Americans who want to keep working and contributing past age 65.

A year ago in September, House Republicans promised working seniors that we would try to pass legislation to raise the limit on earnings that is so unfair, especially to middle and lower income seniors who work out of economic necessity.

And on April 5, we kept our promise to working seniors by passing a tax bill that raised the earnings limit to $30,000 by the year 2000—almost triple what it is now.

And then we sent our bill over to the Senate so our colleagues there could pass it as well. But months went by, and unfortunately the Senate took no action.

Now, the tax bill has been wrapped up in the budget reconciliation bill we are considering today. But, unfortunately there is an arcane budget rule which would put the entire budget reconciliation bill at risk if it includes any Social Security provisions.

The arcane Senate rule put us in a tough position. The budget reconciliation bill will make it possible to achieve a balanced budget for the first time since 1969, and put an end to mortgaging our grandchildren's future. And as I said yesterday, as the grandfather of 28, nothing is more important than that.

As a result, it has been determined that we must drop the earnings limit provision from reconciliation rather than risk losing it all.

Yesterday, we introduced House Concurrent Resolution 109—the resolution we are considering—to make it clear that, even though we were forced to drop the earning limit increase from reconciliation, we have not given up on our commitment to passing it—and passing it this year.

We are still committed to making sure that the earnings limit is increased.

The House has already passed the earnings limit increase—and this resolution simply says that we are committed to making sure that the Senate follows through. That is what this resolution is all about.

It's a renewal of the promise we made last year. We have not given up—and I, for one, do not intend to give up until we get the Social Security earnings limit increased. I urge my colleagues to support this resolution.

Mr. HASTERT. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. GOSS].

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank my friend and compatriot, and I know I should say champion, the gentleman from Illinois [Mr. HASTERT] for all the work he has done, because the Social Security earnings test limitation penalizes seniors who want and need to work.

In the Contract With America we pledged and voted to fix this inequity by raising the earnings threshold to a more reasonable level, and we are going to do it. Ultimately I believe we should repeal the limit altogether, because I think penalizing work is un-American and so do most Americans, but we have more work to do to reach that goal. This fix provides much-needed relief in the meantime. This resolution locks in our commitment to getting an increase in the earnings test limit signed into law this year. It also locks in the other body, and we have a

commitment from the majority leader to make that happen.

By passing this resolution, we jump the hurdle of a highly technical parliamentary problem pertaining to the rules of the other body when it comes to reconciliation, and we get the earnings test limits fix back on the fast track. This is good news for America's seniors. I cannot understand why our colleagues on the other side of the aisle cannot figure that out.

Mr. JACOBS. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, I will vote for this resolution, but I think we should understand what is really happening here. The Republicans, I think this resolution shows by its timing, are squirming on the hook, on the hook of rising anger against their entire budget resolution. It is going to hurt kids, millions and millions of kids. It is hard for them to speak. It is going to hurt working families of this country, but many of them are too busy working and do not have the resources to lobby this Congress. It is going to hurt seniors, and they are speaking more and more. This is a resolution to try to cover the tracks of the majority here.

In the contract, they promised seniors that they would raise the earnings limit. How did they propose to do it? By raiding the Medicare trust fund, by robbing Peter to pay Paul. How they are saying ''We will do it later.'' Do we trust them?

The majority leader on the Senate side said yesterday ''I was there, fighting the fight, voting against Medicare, one out of twelve because we knew it would not work in 1965.'' It worked in 1965 it worked in 1975, Medicare worked in 1985, it is working in 1995, and now the Republicans proposed to wreck it. This resolution is an effort to cover their tracks. I do not think it is going to fool anybody.

Mr. HASTERT. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in strong support of this concucurrent resolution. I think one of the most unfair tax situations we have in this country is the earnings test on senior citizens between the ages of 62 and 70, a 50 percent tax on those earning just over $11,000 per year, in addition to the taxes they have to pay on the income that they earn, plus any State taxes and so on. Someone can be in an 80 or 90 percent tax bracket because of this earnings test. It is a tremendous disincentive for senior citizens between 62 and 70. Between 65 and 70, it is a 33 percent additional tax, a trememodous disincentive to work, at a time when many people need to remain in the work force, many people want to remain in the work force, and they ought to have the opportunity to do so.

I would say to my friends on the other side of the aisle that it is their party who originally enacted the rules in the Senate that prevent us from bringing this up in this bill. We will certainly stick by our commitment to this. It is not a matter of our not wanting to do it because of something we have done, it is because of the rules that exist. I urge my colleagues to support the resolution.

Mr. JACOBS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. GIBBONS], the ranking minority member of the Committee on Ways and Means.

Mr. GIBBONS. Mr. Speaker, I am constantly appalled by the lack of knowledge of Members about parliamentary procedure. This bill that we are talking about, first of all, I am going to vote for this resolution. I am sorry I have to tell the old people that they might as well kiss this good-bye, because it costs $12 billion to do that. The only place in this whole Congress that you can find $12 billion is in the reconciliation bill, so after the reconciliation bill, there will not be $12 billion laying around.

However, this bill, the House reconciliation bill, will never be considered by the Senate. They will consider their own reconciliation bill. Our bill will be over there laying on the desk. They will take up our bill, and the first thing they will do is strike everything after the enacting clause. Not a word one of the House reconciliation bill will ever be considered by the Senate, so what they are talking about here is merely a ruse to allow the gentleman from Georgia, NEWT GINGRICH, to have $12 billion to bargain with you folks to buy your votes for that crazy reconciliation bill you have on the floor. That is what this is about. You all ought to know your own parliamentary procedure. This bill will never be considered there. The basis and the whole thrust of your argument is fallacious. You are not avoiding any Senate point of order because the Senate will never consider this bill. The Senate will consider their own reconciliation bill. Shame on you for lying to the American public on why you are doing this.

Mr. HASTERT. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, I just want to remind the distinguished former chairman, the gentleman from Florida [Mr. GIBBONS], that he knows that all revenue bills start in the House. We have passed the resolution for the earnings test to the Senate. They will pick that up next week. We passed this resolution today. They will pass it also today. It is on track.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. WELLER].

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Chairman, I commend the leadership, the gentleman from Illinois, DENNY HASTERT, on one of the most popular aspects of the Contract With America, raising the earnings limit for seniors.

Mr. HASTERT. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. SHAW].

(Mr. SHAW asked and was given permission to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, I rise in strong support of this concurrent resolution.

Mr. HASTERT. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Florida [Mrs. FOWLER].

(Mrs. FOWLER asked and was given permission to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, the Social Security earnings test limit is an archaic provision, created during the Great Depression to make room for young people in the work force by forcing seniors to retire. It is impractical and outdated and should have been done away with a long time ago.

The individuals most negatively affected by the earnings limit are those who have the greatest need for the extra income, and it is not right for the Government to impose a punitive tax on their earnings. We have made a commitment to raise the earnings limit and this resolution is a step toward fulfilling that important promise this year.

I urge my colleagues to support House Concurrent Resolution 109.

Mr. JACOBS. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I do intend to vote for this resolution. I do respect the sincerity of the gentleman from Illinois [Mr. HASTERT]. However, there is no question in my mind that this is a gimmick on the part of the Republican leadership. Here we have a bill between Medicare and Medicaid that is going to increase taxes on senior citizens by doubling part B premiums, has a means test, eliminates a guaranty for low-income seniors to pay their part B premiums. This is a tax increase in this legislation, and that means that more seniors are going to have to go out and work. What happens if they go out and work? They are going to see the amount of Social Security that they earn be reduced.

It is not fair to suggest that somehow this Republican leadership could not incorporate expanding this earnings test in the context of this bill. They did not because they are trying to save $1 billion, $1 billion that is going to be taken from working seniors. These are seniors that are going to have to go out and work, and a lot of them are working right now. They are going to face major tax increases. The least that could have been done is to make it a little easier for them to work. More taxes, and they do not even get the benefit.

Mr. HASTERT. Mr. Speaker, I yield such time as he may consume to the

gentleman from Missouri [Mr. EMERSON].

(Mr. EMERSON asked and was given permission to revise and extend his remarks.)

Mr. EMERSON. Mr. Speaker, I have been a long-time collaborator with the gentleman from Illinois in this legislative undertaking. I associate myself with the gentleman's remarks and his efforts.

Mr. HASTERT. Mr. Speaker, I yield 30 seconds to the gentleman from Ohio [Mr. CHABOT].

Mr. CHABOT. Mr. Speaker, as even President Clinton will admit, at least when he is a little tired, the Federal Government spends too much, and just as important, it taxes too much. The tax burden on working senior citizens is especially heavy. It is absolutely intolerable that working seniors who earn just over $11,000 are forced to give up significant Social Security benefits. As part of our Contract With America, we committed to easing the tax burden on senior citizens, and I am proud that today we will reaffirm that commitment through this resolution. I urge its support.

Mr. HASTERT. Mr. Speaker, I yield 30 seconds to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I rise in strong support of the resolution. Currently seniors are limited to making $11,200 if they are under 70 years old. Now they can, under this resolution, make up to $30,000. Seniors are living longer. We want them to live better. At the same time we are rolling back the unfair 1993 Social Security tax increase, and we are saving Medicare. I strongly support the resolution.

Mr. JACOBS. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Speaker, I think we need to take a few moments to understand, this is nothing more than a sense of Congress. It does not have the force of law. What we are saying is that senior citizens should have the right to earn more money. That is fine. Then let us give them the right. Let us put the force of law in this. That could have been done.

The Democrats do not control the Committee on Rules, the majority party controls the Committee on Rules. I think what we need to understand is that senior citizens may be forced to have to go to work at age 65, at age 67, at age 70, and at age 75, because we have already heard the majority leader in the other body say ''I was there, fighting the fight, voting against Medicare, because we knew it wouldn't work back in 1965.'' It did work in 1965, it is working in 1995. If it needs to be repaired let us do it that in a bipartisan fashion. We have the Speaker of the House telling people ''We did not get rid of Medicare in round one, it is not politically feasible, but we are going to get rid of it later.''

□ 1145

This is nothing more than a sham. It is a sham, it is a smoke screen. If we are going to legitimately give senior citizens the right to earn more money, then let us do it and not just do a sense of Congress.

Mr. HASTERT. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. COBLE].

(Mr. COBLE asked and was given permission to revise and extend his remarks.)

Mr. COBLE. Mr. Speaker, I have worked with the gentleman from Illinois [Mr. HASTERT] for almost a decade in addressing this problem. I stand in hearty endorsement of what is before us today.

Mr. HASTERT. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. FLANAGAN].

(Mr. FLANAGAN asked and was given permission to revise and extend his remarks.)

Mr. FLANAGAN. Mr. Speaker, I thank the gentleman for yielding time to me, and I rise in strong support of the resolution.

Mr. HASTERT. Mr. Speaker, I yield 30 seconds to the gentleman from Georgia [Mr. BARR].

Mr. BARR of Georgia. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, this has been one of the most hilarious debates I have witnessed in the over 10 months that I have been here. A Democratic President lowers the earnings limit on Social Security recipients' outside earnings, increases substantially the penalty for working Americans who happen to have senior status, and we in this Congress on the Republican side are trying to raise that limit again so that senior citizens can work without being penalized, and the Democrats are dancing around, coming up with the most ludicrous reasons why they cannot support this.

This is a good resolution. We need to do it. It is the Democrats in the Senate that are preventing us from doing it now in the reconciliation, my colleagues on the other side of the aisle all know that, so let us pass this resolution and eventually pass this into law.

Mr. JACOBS. Mr. Speaker, I yield myself such time as I may consume, limited only by such time as I may have.

Mr. Speaker, we would like to make a couple of clarifications. Someone has said that under the Constitution, only the House of Representatives can initiate revenue bills. That is not correct. Under the Constitution, the House of Representatives can only initiate revenue-raising bills.

The other clarification is the assertion that a promise was made to raise the earnings limit, and this we do today. In fact, this we do not do today. This we promised to do some day, maybe next year.

Third, the President of the United States did not lower the earnings limit under Social Security. No one has ever lowered the earnings limit under Social Security. That would require an act of Congress to do so, but no Congress has done it. It has always been uppered, it has never been lowered.

Finally, while I do support the resolution as being in the ambit of reality, there is one element of reality I think we ought to understand. Often cited is the senior citizen who works at the McDonald's or here and there and yon just to make a little bit of money and this person is being handicapped by the earnings limit. Demonstrably, this is not true. McDonald's pays on average about $5 an hour.

The present earnings limit comes out to about $5 an hour, which is not to say that some people, about 800,000, will improve their lot by this, but mostly people who are better off.

Finally, I do not think we should ever repeal the earnings test. That has always been the condition of Social Security and I do not think that people making $5 million a year ought to get the current money out of Social Security.

Mr. HASTERT. Mr. Speaker, I yield myself such time as I may consume.

I would like to agree with the gentleman that people that make $5 million a year should not be sheltered by the earnings test.

Mr. Speaker, I yield 30 seconds to the gentleman from Florida [Mr. FOLEY] to close.

Mr. FOLEY. Mr. Speaker, first of all, I would like to commend our deputy whip, Mr. HASTERT, for his efforts today. I cannot believe the folderol. President Clinton in his campaign document wanted to repeal this. The Senate, controlled by the majority, could not do it. Today, Willard Scott honored five Americans who had reached the age of 100 years old.

Let us reward these workers of America, those between 65 and 69, and repeal this discriminatory, punitive, and unfair penalty against those who want to work and help rebuild America.

The SPEAKER pro tempore (Mr. BURTON of Indiana). Pursuant to House Resolution 245, the previous question is ordered.

The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTERT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 414, nays 5, not voting 13, as follows:

[Roll No. 740]

YEAS—414

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mica
Miller (FL)
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Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Traficant
Upton
Vento
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watts (OK)
Waxman
Weldon (FL)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—5

Beilenson
Johnston
Skaggs
Visclosky
Watt (NC)

NOT VOTING—13

Crane
Fattah
Greenwood
Hayes
Meek
Mfume
Miller (CA)
Sisisky
Towns
Tucker
Velazquez
Volkmer
Weldon (PA)

□ 1211

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HASTERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the concurrent resolution just agreed to.

The SPEAKER pro tempore (Mr. BURTON of Indiana). Is there objection to the request of the gentleman from Illinois?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. WARD. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WARD. Mr. Speaker, this bill contains an enormous tax increase. I need it explained to me why, when I made this same parliamentary inquiry on the budget resolution back when the budget resolution was before us, Speaker GINGRICH told me I needed to learn the rules.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. WARD. My inquiry is, I have studied the rules and rule XXI applies to bills. This is a bill, and it is a tax increase. Why does rule XXI not apply to this bill?

The SPEAKER pro tempore. The Chair will state that the House, by adopting House Resolution 245, has waived that requirement of the rule. Therefore, the Chair's response at this point would be purely hypothetical, and the Chair cannot respond further at this point.

Mr. WARD. But the House resolution to which you refer is the rule that the Republican Committee on Rules has brought forth for this bill. So as I understand it, what you are saying is that Speaker GINGRICH says that you can change the rules on rule XXI when it suits your purposes, when you want to raise taxes?

The SPEAKER pro tempore. That is a statement by the gentleman and not a parliamentary inquiry.

Mr. WARD. I thank the Speaker.

SEVEN-YEAR BALANCED BUDGET RECONCILIATION ACT OF 1995

The SPEAKER pro tempore. Pursuant to House Resolution 245 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2491.

□ 1212

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2491) to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996, with Mr. BOEHNER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, October 25, 1995, all time for general debate pursuant to the order of the House of Tuesday, October 24, 1995, and expired.

Pursuant to House Resolution 245, there will be an additional 3 hours of further general debate.

The gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO] each will be recognized for 1 hour and 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

□ 1215

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Well, we start the second day's worth of discussion and debate in regard to our plan to provide Americans with tax relief and also to balance the budget using real numbers over 7 years.

I just heard today that apparently a poll just came out within the last 24

hours where the American people apparently registered their doubt as to whether we in fact can balance the budget. Frankly, if I was not in this Chamber or in this Congress and I was out in America watching the operation of this place, I would have my doubts for this reason: For about 25 or 30 years we have been promising the people a balanced budget. I think every candidate who has run for President has promised a balanced budget. President Clinton said he would propose and execute a balanced budget within the first 4 years.

The President before him indicated we would have a balanced budget. We have been hearing this over and over and over again. But frankly, folks, we are going to have a balanced budget for two fundamental reasons. The No. 1 reason why we are going to have a balanced budget and we are going to have the discipline to execute and maintain a balanced budget over the next 7 years has to do with the American people.

Frankly, we hear a lot about polls, but I want to tell you about the poll that I follow. That poll is not just the reaction that I get in my own district, but it is the reaction among the Members when they come back from being in their districts. We heard when we came back, after the last recess, that Americans were going south on this plan, that the Republicans were starting to shake. Well, frankly, I have not seen it.

In fact, I think we have a rededicated sense of purpose to get this job done. The reason why it is working is that this House of Representatives is truly a reflection of the attitudes, the moods and the opinion of the American people.

Frankly, we are usually behind where the American people are. I believe the American people for a number of years have said it is time to give us some of our power, money and influence back. Finally we are getting the message, which is why, when Members go home, they are being positively reinforced and they are all hearing one simple message from their constituents. Just put the country first, put politics second. Balance the budget and save this country for the next generation.

Now, let me just suggest to my colleagues that I, again, have to keep going back to the reasonableness of this plan. When we look at what we have done over the period of the last 7 years, we have spent a cumulative total of $9.5 trillion. My colleagues are going to hear this from me two or three times today, $9.5 trillion. If you started a business when Christ was on earth, if you lost $1 million a day 7 days a week, you would have to lose $1 million a day 7 days a week for the next 700 years to get to one trillion. We spent 9.5 trillion over the last 7 years, and under our plan to balance the budget we are going to spend 12.1 trillion.

I mean, the revolution that we are hearing about, my colleagues, does not mean we spend less money over the next 7 years but almost $3 trillion more. Do Members know what the fight is about in this Chamber? Do my colleagues know what the fight is all about in this whole capital, Washington, DC, area? Whether we can go from 9.5 trillion to 12.1 trillion or whether we should increase that to 13.3 trillion.

The question we have to ask the American people is, can we save $1 trillion for the next generation? Nothing is more tragic than to go to the settling of an estate and have the children sit in the room and have it told to them by the lawyers that your mother and father put you in debt. We would consider that to be not a good thing to do, a bad thing to do, to tell your children that they have big bills. I mean all the creditors come into the room and you start paying it out. There goes mom and dad's house. There go their savings because they ran up all these bills.

The same is true with the Federal budget. We do not have a right to tell the next generation that we cannot stop ourselves from spending that extra trillion, because if we can just responsibly, rationally, using common sense, hold our spending increases to $3 trillion over the next 7 years, we can ensure a strong economic future.

Now, look, folks, I do not believe all these studies. I believe some of them, but let us forget the think tanks. Let us talk about the guy who sits down here at the Federal Reserve who decides what interest rates are going to be, and that is what drives this economy. He says, if for once this Congress can make the hard choice, the hard choice, folks, to spend $3 trillion rather than 4, if we can make the hard choice, we rescue the country. I mean that is really what it is all about.

When we look at the specific programs like welfare, welfare goes up by almost 400 billion. When you combine all the programs, it is interesting to note that in many States in this country, welfare recipients are getting about equal to $8 an hour. I mean that is not being skimpy. That is being pretty darn generous.

Medicaid, Medicaid is going to grow up to 443 to $773 billion. We added another $12 billion. Why? We want to do a little better. The debate is not whether it should go up, it is how much should it go up and then of course Medicare. I will tell Members on Medicare that, any way you want to cut it or slice it, our Medicare recipients will have far more, they ought to have far more. The spending is going to go from 926 to 1.6 trillion. The average senior citizen is going to go from 4,700 bucks to 6,800 bucks in spending over the next 7 years.

My colleagues, we can in fact rein this spending in, but it does not involve a nose dive. It involves a more gentle climb, rational thinking, application of common sense. If we do it, we, in fact, can save the next generation.

Tax cuts? Well, below $75,000, 74 percent of the benefits go. But I do not even want to get into this business of dividing rich and poor. We do need reconciliation in this country from a whole host of divisive claims. Let me just suggest that in 1993 the President raised taxes by $250 billion over 5 years. What is this all about? It is really all about the size and the scope of the Federal Government.

We do not think that we need to solve our problem by raising taxes. We did not think we needed to solve our problems in 1993 by raising taxes. What we are about is taking that money that was taken from the American people's pockets in 1993. We took money from their pockets. Republicans did not want to do it. We said we can do it without a tax increase. Now we are taking that money and we are putting it back into the pockets of Americans. In order to do that, Federal spending is still going to go up almost $3 trillion.

So, my colleagues, we have got the common sense plan. This plan is going to pass this House today. I will compliment one group of Democrats will compliment one group of Democrats coming forward with a balanced budget plan. I understand, although I have not read the editorial, that the New York Times and the Washington Post have both complimented them. That is a sea change, folks. We are the ones that said we could do it in 7 years. Now some of the major newspapers in this country are saying, well, we do not like the Republican plan but we can do it in 7 years. That is an incredible sea change in America.

When all is said and done, guess what? we are going to get there. We are going to have a balanced budget in 7 years. We are going to have tax relief for Americans. We are going to save the future, and we are going to restore the country for 100 additional years. At the end of the day, we will do it on a bipartisan basis. But today we have to do our job. Our job is about putting America first, putting the politics of parochialism second and just looking out for the next generation.

That little vision, we are going to look over all the swamp and all the muck and all the nasty rhetoric and the shrill rhetoric that exists on both sides. We are going to look beyond that, and we are going to look to the next generation. We are going to get this done for our precious Nation.

Support the reconciliation bill.

Mr. Chairman I reserve the balance of my time.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. CLEMENT].

(Mr. CLEMENT asked and was given permission to revise and extend his remarks.)

Mr. CLEMENT. Mr. Chairman, I rise in opposition to the GOP plan.

Mr. Chairman, much of the debate I have heard today does not concern whether we should balance the budget. Of course we

should. The debate I have heard today does not concern when we should balance the budget. Most of my colleagues will agree that balancing the budget by the year 2002 is a reasonable goal.

The center of the debate today is how we will balance the budget. The Republicans propose to balance the budget with steep cuts in education, health, farm, and seniors programs. They also propose outrageously huge tax cuts up front which must be paid for with even deeper spending cuts.

Mr. Chairman, I must object to this bill, as well as to the legislative process, which has been highly unusual and chaotic. Medicare cuts were voted on separately, while the Medicaid cuts are rolled into the reconciliation bill with no separate vote. Many committees have failed to report their recommendations as called for in the budget resolution, and large parts of the bill have been drafted behind closed doors and are being added to the bill at the last minute without any scrutiny or debate.

I have here what I believe represents the bill and the process. This is a bucket of zoo doo. That's right—zoo doo. It's like a zoo around here and all are producing is doo. Elephant doo. This is what this bill is—elephant zoo doo. It stinks.

This legislation will have a financial impact on all Americans and there are winners and losers. The wealthiest Americans receive a tax cut, while the working poor receive a tax increase. Fifty-two percent of the tax cuts go to 5.6 percent of Americans with incomes greater than $100,000 a year. Less than 1 percent of the tax cuts could go to 40 percent of the families earning $20,000 or less. I think we have our priorities out of wack.

I support providing a $500 tax cut to families with children, but we can't afford to give this cut to families earning up to $200,000. This threshold needs to be lowered to $90,000.

This bill is too generous with tax cuts, which leads to the deep spending cuts in other programs. While middle-income families would benefit from the proposed tax cuts, they will suffer, for example, from the deep spending cuts in the student loan program. The cuts proposed in this bill would raise the cost of the average undergraduate student loan by almost $2,500 over 4 years.

To pay for these tax cuts, the Republican budget plan proposes to eliminate the earned income tax credit—a program supported by President Reagan—for 5 million working families. Nine million working families would see their tax credit reduced on this plan.

The GOP plan includes a provision to allow corporations to raid pension plans for millions of workers. The retirement savings of working families could be jeopardized if the economy sours of the company makes bad investment decisions. I can't understand why my colleagues would want to do this.

I also have concerns with the Medicare and Medicaid reforms included in the bill. Let me be clear: I wholeheartedly support efforts to make adjustments to the Medicare and Medicaid programs. However, I stand strongly opposed to raiding the pockets of low-income seniors, disabled recipients, and health care providers in order to pay for Republican corporate loopholes and tax cuts for the wealthy. Not only does this bill make severe reductions in Medicare's growth, it also overturns significant consumer standards designed to protect seniors from fraud and abuse. It is clear to me what lies behind this Medicare bill: The special interests, not the people's interests.

Finally, I oppose the Republican budget reconciliation bill because it eliminates the Medicaid Program, handing over these funds to the States as a block grant with little or no standards to protect the vulnerable citizens this program insures. While I am concerned about the Nation's Medicaid recipients, I am especially opposed to the Medicaid legislation because it will devastate Tennessee's 1115 waiver TennCare Program with a $4.5 billion cut over 7 years. Tennessee is the Nation's leader in experimenting with managed care for Medicaid recipients, and now we are being punished for our success. Though some may vote today to destroy TennCare because of their party loyalty, I will stand strong against this bill's destructive provisions.

In closing, this misdirected legislation would actually make economic life more difficult for a vast majority of Americans because of the steep cuts needed to pay for the tax giveaway. I must object to this legislation and hope that a reasonable compromise can be worked out before the bill is sent to the President.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before I speak to the substance, let me congratulate my friend from Ohio on his job of chairing the Committee on the Budget and working with the Republican leadership. I was one at the beginning who thought he would do what he said. He has put a package together that I expect will pass the House today that does reflect the values and priorities of the majority. I strongly disagree with those values and priorities, but he has done it with grace. He has done it with skill. I know it is not easy to put a package together. We will talk about the substance of that package today, but his job that is his responsibility within his caucus, we should not give him praise. He has done it too well. They should give him significant praise because he has accomplished the goals of his caucus.

We disagree with that, and in time we will move on.

Mr. Chairman, what the House is undertaking today is not simply a debate about balancing the Federal budget. This is a debate much more profound. It is about two very different visions for America's future and what those visions mean for America's families, workers, and the most vulnerable among us.

The Republican vision is clear. Yesterday, on the same day we began debate on this massive budget bill, the Republican leaders in both the House and Senate voiced pride in their desire to dismantle the Medicare Program.

The Speaker of the House sees the Medicare Program only in terms of politics. He says that Republicans could not eliminate Medicare right now because it is not politically smart. But he then hastens to add that he would like to see Medicare eventually wither on the vine.

This is not a vision to renew America. And it is one that we should all reject.

On the same day, the leading Republican Presidential candidate declared that he was one of only 12 to vote against the creation of the Medicare Program 30 years ago. With pride he said he was ''fighting the fight, voting against Medicare.''

And so we now move to the budget package to be voted on in the House today. The choices are clear. My Republican colleagues will put forward a vision that rewards the wealthiest and most powerful interests in our society at the expense of the most vulnerable Americans.

They will raise taxes on low-income working families while lavishing massive tax breaks on the affluent. They will make it difficult, if not impossible, for millions of citizens to obtain adequate health care.

They will cut funding for nutrition, education, transportation and scientific research even though we have many years of evidence that these investments enhance our society and our economic future.

They will ask people to move from welfare to work at the same time they are eliminating work incentives and reducing work opportunities, and child care benefits.

And, at a time investment in education is becoming increasingly important to the health of our economy, they will cut job training and increase college costs for millions of Americans seeking to better themselves.

One of the most troubling aspects of the Republican vision is that it will escalate the 20-year trend that has pushed income inequality in this country to its highest level ever—all so that wealthy Americans can enjoy large tax breaks they don't need.

In short, throughout this budget process, Republicans have engaged in a one-sided attack on lower and middle-income Americans which will ultimately close the doors of opportunity that lead to a prosperous Nation and a higher standard of living for everyone.

So, Mr. Chairman, I call upon my colleagues to reject a vision of America that seeks to reward those who have already prospered in our economy while imposing burdens on those who have not.

□ 1230

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from the State of Iowa [Mr. GANSKE].

Mr. GANSKE. Mr. Chairman, there are three reasons why I am going to vote for this reconciliation bill: their names are Ingrid, Bridget, and Karl, my children.

There is so much in a bill like this that it is easy to lose sight of the forest for the trees. Is this legislation exactly the way that I would have written it? Of course, not. This bill is the product of the push and shove, the battle of competing interests, the art of

compromise that is characteristic of democracy.

As you vote for this historic measure, remember Edmund Burke's praise of political courage two centuries ago:

> You well know what snares are spread about your path . . . but you have put to hazard your ease, your security, your interest, your power, even your popularity . . . you will remember that public censure is a necessary ingredient in the composition of true glory: you will remember . . . that calumny and abuse are essential parts of triumph . . . you may live long, you may do much. But here is the summit. You may never exceed what you do this day.

But to portray this bill as unworthy because it has gone through the democratic political process that all our laws go through would be unfair. I, like all 435 Members of this House, have to judge this important piece of legislation on its overall thrust. It does reform welfare, it does preserve Medicare, it does cut taxes, and most important, it does balance the budget.

I will take courage for you, my colleagues, to vote for this bill exactly because it is so big and not perfect as you would will it. But I ask you to do it for your children as I am doing it for mine.

Mr. SABO. Mr. Chairman, I yield myself 10 seconds.

Mr. Chairman, I would only say that the children of Members of Congress probably will do fine, but the 20,000 families in the district of the gentleman from Iowa [Mr. GANSKE] who get the EITC, the earned income tax credit, will do much worse.

Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I rise in strong opposition to the Republican budget reconciliation package. I have listened to the debate on the floor and in the Rules Committee, and can't help but remember 1981, 1983, and more important, 1993. In the early 1980's we saw two tax bills that were sold on the basis that massive tax cuts for the very wealthy would spur the economy. In the late 1970's the top marginal tax rate was close to 70 percent, and by the end of the 1980's it had been cut to almost 30 percent; did this spur economic growth and end deficit spending? Well, we started the decade with a $1 trillion debt and ended it at $4 trillion. In addition, we headed into the 1990's with an economy in deep recession.

In 1993, in response to the growing deficit and deepening economic rescission, we came to the floor to bring a budget reconciliation package to control spending and return some progressive policies to our Tax Code. A little over 2 years ago we heard the cries of economic desperation. Our package was called smoke and mirrors and I quote, ''it's our bet that this is a job killer.'' The current Speaker predicted, and I quote, ''I believe that this will lead to a recession next year. This is the Democrat machines' recession, and each one of them will be held personally accountable.'' The current majority leader predicted, and I quote, ''the impact on job creation is going to be devastating.'' Well, we passed the package without one Republican vote. Now let's discuss the results and the ability of the Republican leadership to predict economic outcomes.

The deficit came down for 3 consecutive years. Our deficit is now the lowest as a percentage of national income of any major industrial country in the world. After one of the slowest 4-year periods of job growth since the Great Depression, the economy is now enjoying a solid growth, with strong private sector job creation and low inflation. The economy has created well over 3 million private sector jobs. The Republicans were wrong then, and they are wrong now.

Today, we will be asked to cast one vote on a package that will dramatically change our Government. With one vote, we will dismantle the Department of Commerce; an agency entrusted with two critically important constitutional functions; that of the census and the filing and protection of patents. We will dismantle an agency that every day impacts millions of Americans. All done without the benefit of any comprehensive committee action. We will forever change health care for millions of low-income women, children, and senior citizens. We will end Federal, uniform nursing home standards implemented less than 10 years ago; we will force more working families into poverty and end any hope of a higher education for thousands of our children. We will forever end Medicare as we know it. It does not surprise me that the Republicans want to end Medicare, as the leader of the Republican Party in the other body has stated, ''I was there fighting the fight, working against Medicare—because we knew it wouldn't work in 1965.'' We will close many rural hosptials; cut WIC, Headstart, and significantly reduce our investment in research and development. All in the hope of economic growth and tax cuts for the very affluent. Once again, our Republican colleagues are asking Members of this body to take a leap of faith on failed economic and budget policies based on failed and misguided predictions.

I am hopeful that many of these radical changes will be dropped in conference. It is the only hope we have. I ask all of my colleagues to oppose this package.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. SMITH], a member of the Committee on the Budget, and an expert on immigration in America.

Mr. SMITH of Texas. Mr. Chairman, in the last election, the American people told us to balance the budget, cut the taxes, and end the gimmicks.

They wanted an end to Alice in Budgetland: to the rising tide of red ink that destroys jobs, makes housing and education more expensive, and encourages our addiction to big government.

They wanted an end to Alice in Budgetland: to the constant tax increases that take more and more money and decisions away from the American people.

They wanted an end to the Alice in Budgetland rosy scenarios, bogus growth numbers, and magic asterisks, the ponzi scheme by which Congress kept spending more of the people's money.

Today we keep our word. We have a plan to balance the budget. Our balanced budget plan will mean 1.2 million additional jobs by 2002. Our balanced budget will reduce interest rates, making new homes, college education and start-up businesses more plentiful and affordable.

Our plan also increases the power and decision-making of families. It's not just important to balance the budget. It matters how we balance the budget. The family and small business tax relief provisions contained in our plan are essential to returning power and money back home.

Without tax relief, we won't return decisions where they belong—to the people who do the work, pay the taxes, raise the children. Without tax relief, we aren't putting people first.

Last week in Houston President Clinton stated, ''I think I raised your taxes too much.'' We agree that the President was wrong, and that's why Republicans unanimously opposed the largest tax increase in history. That's why our plan is the only plan that returns some of the money that President Clinton took in 1993.

It's the family's money to keep. It's not Washington's money to spend. And only our balanced budget honors hard-working Americans by letting them keep more of what they earn and by spending their money with great care.

I urge my colleagues to support this balanced budget.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from my native State of North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, I thank the gentleman from Minnesota [Mr. SABO] for yielding this time to me.

The budget before us is truly historic in its dimensions, and perhaps that is the only thing we will all agree about in the course of this debate today. As I see it, the debate between us is not about whether we ought to balance the budget. I think there is broad agreement we ought to move towards that goal. The debate is how we do it, and here is where the conflicting priorities of the parties become very clear.

This budget plan is built on a fundamentally flawed premise, that we can balance the budget while financing a tax cut primarily benefiting the most privileged among us. This makes as much sense as a family resolving to get their household's finances in order just as soon as they spend the weekend in Paris once more on that old MasterCard.

The consequences of the Republican tax plan are enormous. The wealthiest people in this country get a windfall while working and middle-income Americans lose ground. The tax cut reflects that the driving priority in this budget is to assist the wealthy in becoming even wealthier, and to this end,

they have sacrificed health programs for seniors, nutrition programs for kids, the safety net for family farmers, pension security for millions and millions of Americans. In order to accommodate the agenda of the privileged this budget makes devastating tradeoffs that pull support from those who need it and opportunity and hope from millions and millions of middle-class Americans.

Make no mistake about it. The bottom line on this budget is more wealth for the richest, less help for the neediest, and reduced hope and opportunity for middle-income families.

This bill is more than an historic budget, it is an historic and tragic mistake, on which if enacted will change the character of our great country.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. PARKER]

Mr. PARKER. Mr. Chairman, for purposes of clarification I would like to engage the gentleman from Ohio [Mr. KASICH] in a colloquy.

First let me thank the gentleman for his willingness to work with those of us who have been concerned about the public auction of the facilities in the Power Marketing Administration. It is my belief that the study provision contained in this legislation is superior to an outright sale. In fact, this non-biased study will hopefully provide our committee with the needed facts to determine whether or not a sale of the PMA's will be in the best interest of the Government in the long run.

Mr. KASICH. Mr. Chairman, if the gentleman will yield, it better end up being better in the long run. I would say to the gentleman I wanted to do it this year, and he said we got to study it for a while, make sure we do the right thing. I agree with the gentleman.

Mr. PARKER. However, Mr. Chairman, I would like to seek clarification to determine whether or not the evaluation or study will look at the impact, if there is a sale of the PMA's, on the wholesale and retail electricity rates of the current customers in the affected areas.

Mr. KASICH. I think that the gentleman makes a good point, and obviously we want to make sure that, when we do this, we do it right and everybody understands what the impact will be.

Mr. PARKER. Mr. Chairman, I thank the gentleman from Ohio for having yielded to me. The clarification is appreciated.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from Wisconsin [Mr. NEUMANN], a brand-spanking new, fiery member of the Committee on the Budget.

Mr. NEUMANN. Mr. Chairman, I rise today in strong support of this. We have spent a full generation. Now the last time we balanced our budget I was a sophomore in high school. My children are now out of high school and heading on to college. I have got a daughter who is a junior in high school. It has been a full generation since we have balanced our budget. It is time we get it done.

Congratulations to the Committee on the Budget, to the gentleman from Ohio [Mr. KASICH], for bringing us a bill that is going to allow us to not only keep our promises, but, more importantly, do what is right for the American people.

As my colleagues know, not enough has been made about what happens after we balance the budget. I just heard about the hopes and the dreams of the future of the middle-class America. When we balance the budget, what that means is the Federal Government stops borrowing hundreds of billions of dollars out of the private sector, and, when the Federal Government stops borrowing that money, that money is now available for real people to borrow, and when real people have the opportunity to borrow that money, that means they can buy homes, and they can buy cars, and they can get college loans to go to college, and when they get those loans, the interest rate is going to be lower because there is more access to the money. This is good news for the future of the middle class.

As a matter of fact, if somebody were to go out and buy a house today, and they were to borrow $50,000, and we had balanced the budget sooner so the interest rate was 2 points lower, they would save over $1,000 a year in the interest on the payments in that $50,000 loan.

□ 1245

If they borrowed $100,000 to buy a house, they would save $2,000. Almost $200 a month remains in the pockets of the working people of this country because we are about to balance the budget. This is good news for the hopes, for the dreams, for the future of this country.

Also, it puts this Nation back on track, that the Nation will be preserved for the next generation. Instead of giving them a legacy of growing debts, we can give our children the hopes and dreams of the future, like we received from our forefathers.

In the budget resolution we passed earlier this year, it sets some 7-year targets and it sets some 1-year targets. Again, I commend the Committee on the Budget. This proposal that we have before us today not only hits the 7-year targets, it also hits the first-year targets, and a lot of other political groups would not have done that. I commend the chairman of the committee, the gentleman from Ohio [Mr. KASICH], and the committee for their tireless work at helping us keep our promises to the American people, and strongly urge support of this bill.

Mr. SABO. Mr. Chairman, I yield 10 seconds to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise just to let our colleague, the gentleman from Wisconsin, know that in his district 17,179 working families will have their taxes increased by this Republican bill.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. LUCILLE ROYBAL-ALLARD], a distinguished member of our committee.

Ms. ROYBAL-ALLARD. Mr. Chairman, the Republican budget is morally wrong. It does nothing to improve national living standards.

Except for the very wealthy, it hurts the majority of hard-working Americans. Three areas illustrate my point.

First, the Republican bill cuts taxes for the rich, but raises taxes on the poor. It cuts the earned income tax credit which helps keep 14 million low-paid working families earning $9,500 to $25,000 dollars a year out of poverty.

The GOP tax plan will give families earning $350,000 dollars a year a $14,000 tax cut. While the struggling, lowest paid worker must lose an additional $300 to $324 annually. That is wrong.

Second, the Republicans cut child and prenatal nutrition programs proven to be good national investments. For every $1 spent on prenatal nutrition, the WIC Program saves the American taxpayer $3.50 in special education and Medicaid expenses. To cut such programs is wrong.

Finally, the Republican plan unbelievably repeals the Nursing Home Standards Act of 1987. This act was enacted as a direct response to congressional hearings which revealed widespread abuses in State and privately run nursing homes. Abuses resulting from unsanitary conditions, malnutrition, overmedication, neglect, sexual and physical abuse.

Our current law has helped to eliminate these abuses and to improve the quality of life for nursing home seniors.

If these standards are eliminated, Republicans condemn our seniors to suffer the horrible abuses of the past. That is wrong.

Under the Republican budget reconciliation bill, the rich will be richer, but the living standard of our Nation will be made much poorer.

The only good thing about the Republican budget is that it is so extreme and unfair that the President must veto it.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. MARTINI], the courageous young freshman who is from the State of Bruce Springsteen.

Mr. MARTINI. Mr. Chairman, I thank the gentleman from Ohio. I first would like to compliment him and his committee for the outstanding work he has done on this budget this year.

Today we are debating and are about to consider a Budget Reconciliation Act. It struck me coming over here that reconciliation, the very nature of the word itself, suggests a coming together, a solving of differences, and a

going forward. I believe that the American people today know that the Federal Government has had extreme problems with its fiscal matters over the years. I think the Americans also know that this majority of Congress has been set to correct those wrongs, but I suspect that the Americans out there still do not know if this Congress has the resolve to do that today. It is no wonder, in my opinion, Mr. Chairman, because over the last several weeks all they have heard are distortions and scares, scares intended to stop people in their tracks from going forward.

It strikes me as sad that the party whose former leader, Franklin Delano Roosevelt, once gave us the phrase ''We have nothing to fear but fear itself'' now offers us only fear itself and no solutions. Let us just look at the record for a moment, if we may.

On June 4, 1992, President Clinton promised a balanced budget. He never delivered. He promised a tax cut for middle-class families. He never delivered. Worse than never delivering, he actually implemented the biggest tax increase in the history of our Nation. Now he has even admitted he raised our taxes too much. He failed to offer a plan to end welfare as we know it, and he stayed on the sidelines as we saved Medicare from going bankrupt.

In contrast, this Congress is about keeping promises. We understand the importance of fulfilling our promises to our elderly and our children, and we will do just that. Today, for me, Mr. Chairman, it is indeed humbling to take part in such a historic vote in favor of a more fiscally sound America and a brighter America, and I urge all of my colleagues to support this bill.

Mr. SABO. Mr. Chairman, I yield 10 seconds to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, 27,641 working families in the district of the gentleman who just spoke will have their taxes increased by this Republican tax increase bill they are approving today.

Mr. SABO. Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Chairman, I join my ranking Member in emphasizing that putting all substance aside, the logistics of bringing this bill to the floor have been an abhorrence not only to the usual committee process but of any democratic process.

I want to add a word or two today about the role which the Budget Committee has, or rather could have had, in today's reconciliation bill. Having spent a great deal of my career looking at budget process issues, and in fact, having enjoyed working on a number of those issues with Chairman KASICH, that is what I would like to examine now. I was both surprised and disappointed that this reconciliation bill took a minimalist approach to process reform.

Needless to say, this bill is expansive in every other regard. No one single bill has ever entailed such a comprehensive overhaul of Federal Government policy. The other side likes to speak of the Republican revolution and I would, in no way, dispute that this is a revolutionary document.

That is why I am disappointed that process reforms which could bring meaningful budget enforcement, greater integrity in the process, and a sense of openness and honesty were left out of the revolution.

Two year's ago when we were battling over the 1993 budget reconciliation bill, I engaged in intense negotiations with my leadership to move us closer to enforcement language which would guarantee the deficit reduction promises being made. In particular, we were trying to remove ''uncontrollable'' as an adjective for entitlement spending.

The agreement that we reached in 1993 was far less than I wanted, especially with regard to guaranteeing control over the Medicare Program. But do you know what? That agreement showed a lot more enforcement muscle than appears any where in this budget. I received all sorts of Republican lecturing for failing to bring my party to the stronger entitlement control I wanted and yet even that compromise language is missing in this revolution. This bill allows ''uncontrollable'' to continue accurately describing entitlement spending.

What else could have been included? Well, the substitute which I am supporting today includes deficit reduction guarantees enforced by sequestration. It has 10 year scorekeeping to make sure that things like grossly ballooning tax cuts start showing up beyond the curtains on current budget windows.

Our substitute has process reforms like line item veto and a deficit reduction lock box, which the majority of this House has said it supports. It also adopts numerous provisions borrowed from previously bipartisan bills which many people standing on the other side of the floor right now not only supported but co-authored—things like baseline reform, controlling emergency spending, continuing resolution reform.

Where are those provisions today? How did they get left out of the revolution? For a party which has made a mantra of ''Promises Made—Promises Kept'' why were not some of the promise-keepers built into this bill?

I urge my colleagues to vote no on the base bill and vote yes on the substitute which actually has a chance of maintaining the many promises being made today.

Ms. HARMAN. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentlewoman from California.

Ms. HARMAN. Mr. Chairman, I thank the gentleman for yielding to me.

This is a defining time and a defining vote. Very few here have made every vote in the last two Congresses to achieve significant and fair deficit reduction—beginning with support of the 1993 budget which has halved our deficit to the lowest level in a generation and decreased it for 3 years straight. I have made each of those tough deficit cutting votes.

And today I will continue to stand up for fairness, for balance, for deficit reduction, and for bipartisanship.

In this spirit, I strongly oppose H.R. 2491 as drafted because it funds ill-timed tax cuts by raising the deficit in the short-term and hurting our most vulnerable populations—seniors and children—with devastating Medicare cuts and the termination of Medicaid as a guaranteed safety net for nursing home residents.

I strongly support the bipartisan coalition substitute which defers tax cuts until we have achieved a balanced budget, treats cost-of-living increases in a non-inflationary manner, and preserves Medicaid, including regulations against nursing home abuse.

In my view, the Medicare cuts in the coalition substitute are deeper than what I would like to see, but this bipartisan effort sets a marker for further discussion. I have met with hundreds of seniors in my district, and will stand with them as we work for the fairest compromise within tough budgetary constraints.

Had H.R. 2491 been drafted with real public input, I believe its contents would be different. Now with its expected passage and its expected veto by the President, the real debate must start.

Every Federal program, every Federal dollar should be on the table as we debate—openly and in a bipartisan manner—how to share sacrifice and how to share benefits. Every program. Every person.

But the operative word is balance—a balanced budget, balanced sacrifice, balanced benefit, and an open and balanced process. Let's begin anew.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, the first thing I want to say is I would not vote for the plan described by the gentleman from Minnesota [Mr. SABO], and I do not think anybody on this side of the aisle would, but that is not our plan. That does not seem to matter to the gentleman from Minnesota and others.

We have had a budget deficit that has gone up and up and up, a debt that has gone from $385 billion 25 years ago to $4,900 billion, or $4.9 trillion. Our colleagues on that side of the aisle who have been in power for 40 years have had a chance to deal with that issue. We need to get our financial house in order, and we need to balance our Federal budget. We need to save our trust funds, particularly Medicare, and we need to transform our social and corporate welfare State into an opportunity society.

The bottom line and the most difficult part is saving our trust funds. We know what the board of trustees of the Federal hospital insurance trust fund have said. they have said that in basically 7 years the Medicare part A trust fund literally goes bankrupt, but nobody on that side of the aisle even wanted to address it until a few weeks ago.

We are addressing that fund. We are making sure that $333 billion benefits the Medicare part A trust fund, and $137 billion benefits the Medicare part B trust fund. We have extended its insolvency and its ultimate bankruptcy from the year 2002 to the year 2010.

What is so important about the year 2010? That is when the baby boomers start to get into this fund. At that point, we have the baby boomers from year 2010 to the year 2030. By the year 2030, baby boomers from the age 65 to 85 will be in the fund. What does that mean? We have workers right now, three and one-half workers are working for each individual in the trust fund. Right now three and one-third workers work for every person in the Social Security trust fund. By the year 2030, 35 years from now, there will only be two workers.

We are talking about what has happened over the last 40 years, and particularly, the last 25. Our Congresses and, regretfully, our Presidents have mortgaged the farm, and now we are trying to buy it back for our kids. this is about kids. It is about saving this country. I could not be more proud to be part of this reconciliation act. My only regret is that the President has not joined in in this effort.

Mr. SABO. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, looking at the numbers as the gentleman referred to, I discovered he only has 11,000 families eligible for low-income tax credit, one of the lowest in the country. They are going to be hurt, but let me assure the gentleman from Connecticut, all the rich constituents he has are not going to be hurt. They are going to prosper. They are going to do well. His district does not resemble America.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. MEEK].

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Chairman, I want to thank the gentleman from Ohio [Mr. KASICH], the chairman of the Committee on the Budget, and the ranking member, the gentleman from Minnesota [Mr. SABO]. I served under them this session on the Committee on the Budget.

Mr. Chairman, I strongly oppose the reconciliation bill we will consider today.

Why are poor Americans being asked to shoulder most of the pain in balancing the Federal budget and paying for tax breaks for the wealthy? The answer is that they are a convenient target. Poor people can't afford to hire lobbyists to protect their interests.

We all know that cutting the Federal budget deficit is painful, but this debate isn't about pain and suffering. It is about fairness. Most of the cuts in the reconciliation bill reported by the Committee on the Budget fall on low-income Americans. The reported bill cuts $221 billion from entitlements, and $192 billion of these—87 percent—are in two Federal programs that help poor and low income Americans: Medicaid and student loans.

The Budget Committee also approved $53 billion in increased taxes, and $27 billion—51 percent—are reductions in the earned income tax credit for working Americans and low-income housing credits.

The chairman of the Committee on Ways and Means recently justified the changes in the earned income tax credit by arguing, and I quote, ''Simply put, the EITC is going to people with incomes that are too high.'' Too high? Should a single hard-working person with no children earning $8,200 a year, or $4 an hour, have her Federal income tax raised by $101 a year? Should working people struggling to get by help pay for a tax cut that goes mainly to the small minority—12 percent of all families—that earn over $100,000 a year? This bill is simply unfair.

What happened to the Republican pledge in January that it would require a three-fifths vote to raise income taxes because the Republicans said they wanted to ''help'' working Americans? Today the Republicans are waiving this requirement. People are going to bear the burden for these false promises.

The Republicans' plan to cut Florida's Medicaid payments by 26 percent over the next 7 years will have a devastating effect on Miami. Jackson Memorial Hospital accounts for 30 percent of all hospital admissions in Miami. This year Medicaid will supply $438 million to Jackson Memorial, or about 40 percent of its total revenues.

What will happen to health care for the poor if Jackson Memorial runs out of Medicaid money in October under the Republican scheme? Will they stop delivering babies? Will they stop vaccinating children in November and December? Is this fair?

Last week the Republicans voted to increase part B Medicare premiums. This week they are cutting Medicaid. What will happen to the elderly when Florida runs out of Medicaid money and can no longer pay for the Medicare part B premiums of the elderly?

What will happen to the elderly who are now in nursing homes when Florida runs out of Medicaid money? Will the elderly be put out in the street?

The Republicans opposed my efforts to make the Medicaid formula fairer. Twice I tried to have the entire House decide whether to accept the Medicaid formula adopted by the Senate Finance Committee, which is fairer and helps ease the burden of these cuts on States like Florida. But twice every Republican voted ''no'' even though my amendment would have helped a majority of the Republican Members.

Mr. KASICH. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, the simple fact of the matter is under the House plan the earned income tax credit is going to go up by 40 percent. Forty percent may not be enough for some that want to drive it up 60, 70, 80 percent. Forty percent is a generous increase.

Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, I thank the chairman of the Committee on the Budget and my fellow Buckeye for yielding time to me.

Mr. Chairman, I listen to this debate and I just cannot conceive of how Americans watching it in their homes could be anything but confused, because we bandy about the word ''cut'' in such a disgraceful, shameless, and such a completely inaccurate way. The fact is we are going to increase the spending on the earned income tax credit from $22 billion in 1995 to $32 billion in 2002. Overall, this budget goes from one trillion five hundred billion to one trillion eight hundred billion; Medicare goes up from $170 billion to $244 billion; education and student loans goes up from $24 billion to $36 billion. That is a 50 percent increase. Yet all we hear from the other side is cut, cut, cut.

□ 1300

Where is the cut? It is that kind of abusive language that makes it so impossible for average Americans to decipher what the heck is going on and to make the kind of judgments that they need to be able to make in order to evaluate their representatives. In fact, the only cut that I am aware of, the only real cut in this budget has to do with foreign aid, and that is a real cut.

What is the good side, what is the upside of all of this? The upside of all of this in terms of balancing the budget, the biggest impact on American families will be with respect to what it does to interest rates, and that is a profound impact. It is not just a fog of numbers, it is not just accounting, it really makes a difference in terms of what those dollars mean to the average American working family.

DRI/McGraw Hill has said that it is a 2.7 percentage point difference as a result of balancing the budget. On a $100,000 mortgage, on a $100,000 mortgage, that amounts to about $225 per month more in the hands of the people that earn that money. That has a profound impact on a student loan. There is a tremendous difference, as well as on a car payment.

The good news is that balancing the budget puts more money in the pockets of the people that make it.

Mr. SABO. Mr. Chairman, I yield 10 seconds to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Chairman, in response to my colleague

from Ohio [Mr. HOKE], the last speaker, does the gentleman know that in his district 22,659 working families will have their taxes increased by this bill?

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, our Republican budget chief is exactly right. This is a debate about promises, and how you feel about the promises depends on where you are sitting on the economic ladder of this country.

If you are way up there on top, at the apex of the American economy, sitting on a cushion sipping champagne, you got your promise fulfilled by in Republican Party bountifully, because the better off are going to get a little more better off today. If you are one of the great corporations of America that back in the days of yesteryear never paid a dime of taxes on billions of dollars of profit, you also can smile. You are better off today. You will pay zero, zip, not a dime under the repeal of the minimum tax credit.

Mr. Chairman, but what if you are not way up there on top? What if you are down on the lower rungs, just trying to struggle and make ends meet and get your kids through school? Well, those people on the economic ladder have a broken promise. If you are on Medicare, well, you get the new Republican sick tax. Yesterday, BOB DOLE was boasting, he voted against Medicare, and NEWT GINGRICH said, well, we will just let it wither on the vine. The Republicans lever a hefty sick tax because they want to help those who are well. Very well. Well off.

If you make $30,000 or less, these Republicans are going to raise your taxes, plain and simple. To the many who are trying to climb up that economic ladder and share in the American dream, they stomp on their working fingers as they try to climb up that ladder. That is why we call it Wreckonciliation, because it wrecks working families that are trying to make a go of it. It wrecks seniors who are going to have to pay that Republican sick tax.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. HOEKSTRA], a member of the Committee on the Budget.

Mr. HOEKSTRA. Mr. Chairman, I thank the chairman for yielding me this time.

Mr. Chairman, the only thing that we will wreck if we do not pass this reconciliation bill is the American family. Let us talk about exactly what is going to happen to spending over the next 7 years. If we do nothing, Federal spending will rise by 37 percent. If we pass reconciliation, which we will do later on today, Federal spending, we are really going to tighten our belts for the next 7 years. We are only going to allow Federal spending to increase by 27 percent.

I came out of the private sector, and I would have loved any budget that over 7 years would have allowed me to increase spending by 27 percent. We are asking the Federal Government to get spending under control and have a gentle slope toward balancing the budget.

Spending goes up in every category. Total spending goes up. Welfare reform, welfare spending goes up. Medicare spending goes up. Per beneficiary on Medicare goes from $4,800 to $6,700. We are trying to manage health care growth to 5 percent per year. Medicaid spending goes up. Spending on student loans. Student loan spending goes by 37 percent over the next 7 years. School lunches. We heard that those were gone. Spending on school lunches goes up by 4.5 percent per year.

This is a reasonable budget; this is a commonsense reconciliation. Common people, on the street every day would love to have a budget at their house that would go up by 3 percent per year and be asked to manage to that. This makes sense. This is reform that we can manage too.

Mr. SABO. Mr. Chairman, I yield 10 seconds to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Chairman, to my dear friend, the gentleman from Michigan [Mr. HOEKSTRA], I just wonder if he knew that in his district 23,679 working families will have their taxes increase by their Republican reconciliation.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I rise in strong opposition to the omnibus bill that I believe is a major step backwards for our Nation. I am committed to ensure our Nation's fiscal integrity. Our obligation to our future and our children demands decisive and decidedly different action to effect a disciplined conduct in our fiscal business. But the Republican package is not the answer. It is an attack on the middle class and poor Americans.

Mr. Chairman, I supported the Balanced Budget Amendment. I voted for the Stenholm budget, which would have achieved a surplus by 2002, and I will support the Orton alternative that also puts us on a path to a balanced budget by 2002. But I do not support tax cuts until we get our fiscal House in order. Balance the budget first and then consider tax reductions.

Half of the bill's tax breaks go to those who make more than $100,000 a year, while the lowest 20 percent of income earners will see their taxes go up. That is not right. If the Republicans were not so committed to tax breaks for the wealthy, this legislation would not include the draconian cuts that I oppose so strongly.

One example of the bill's attack on the middle class is provisions on Federal employees. While I am pleased that the parking provision has been dropped, what remains is still unfair and unwarranted.

In addition to the dramatic reductions in the earned income tax credit which has been spoken of, this bill makes very serious cuts in Medicare and Medicaid. Over $450 billion in health care cuts for seniors families and children.

Furthermore, the Republican proposals for welfare reform are weak on work and tough on kids; they are tougher on kids than they are on the deadbeat dads who walk out on those kids. The Orton substitute will effect real welfare change and require those who can work to work regularly.

These are just a few examples of what I believe our priorities must be. Not tax cuts in the face of deficits, but fiscally responsible policies that serve our Nation's needs, promote the American economy, and effect a balanced budget by the year 2002. I urge defeat of the Gingrich-Kasich budget.

Mr. FRANKS of New Jersey. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CHRYSLER].

(Mr. CHRYLSER asked and was given permission to revise and extend his remarks.)

Mr. CHRYSLER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I am proud to stand in this House today in support of our plan to balance the Federal budget over the next 7 years. It is the most compassionate thing that we can do for the children of America. One of the best ways to help the children in America is to help their mom and dad, and let them have the basic human dignity and pride that comes from bringing home a paycheck. We need less government and lower taxes; we need to let people keep more of what they earn and save, and we need to let people make their own decisions on how they spend their money, not government.

As the head of the task force to dismantle the Commerce Department, I know we found a good place to start in rightsizing the Federal Government. Former Commerce Secretary Robert Mosbacher put it best when he recently called his old department, ''Nothing more than a hall closet where you throw everything that you don't know what to do with.'' In fact, 60 percent of the Department has nothing to do with commerce.

In a recent Business Week poll, senior business executives said to eliminate the Department of Commerce by a two-to-one margin. Why? Because if the Commerce Department were truly the voice of business, they would be supporting a cut in capital gains tax; they would be supporting tort reform and regulatory reform, and balancing the Federal budget. In fact, the Department of Commerce is diametrically opposed to all of them.

Our plan simply makes more sense than current hodgepodge programs huddled at the agency that some now call the Department of Miscellaneous Affairs.

Mr. Chairman, our efforts to dismantle the Department of Commerce will

streamline and improve Federal efforts on behalf of American businesses and save billions of dollars, giving taxpayers and their children their money's worth. Everyone in my district, in my State, and America are better off, and 88 percent of them say, balance the Federal budget.

Last week, House Republicans unveiled their final plan to dismantle one of least defensible Departments in government: the Department of Commerce. As Majority Leader Dick Armey noted, for the first time in history, the American people will see a Cabinet chair carried out of the Cabinet Room at the White House and placed in a museum with other artifacts from American history.

Our plan to dismantle the Commerce Department is the first step in our mission to downsize a bloated Federal government that is too big and spends too much money. It will begin to put out-of-control government growth in reverse and will save taxpayers at least $6 billion over the next 7 years, a significant down payment on our plan to balance the Federal budget.

Nothing so clearly demonstrates the need to streamline the Federal Government more than the Commerce Department. Accordingly to the Department's own inspector general, this agency is a loose collection of over 100 unrelated programs. In fact, today's Department is involved in everything from managing fish farms to predicting the weather to promoting new technology.

What Commerce officials describe as ''synergy'' among Commerce's wide-ranging functions, most reasonable people simply call confusion.

What most people believe is the real mission of the Department of Commerce, promoting the interests of American business throughout the global marketplace, is actually only a fragment of what the Department actually does. Only 5 percent of Commerce's budget is devoted to trade promotion, a responsibility the Department shares with numerous other Federal agencies.

While Commerce Secretary Ron Brown continues his defense of his beleaguered Department, the business community remains notably silent. A recent Business Week poll of senior business executives illustrated their support for eliminating the Department of Commerce by a margin of two to one.

Secretary Brown insists the Department is ''the only effective Cabinet-level voice of U.S. business,'' yet industry remains skeptical. Recently, the respected Journal of Commerce quoted Willard Workman, a vice-president at the U.S. Chamber of Commerce saying, ''I've only received four phone calls from member companies asking that we lead the effort to save the Department.'' The U.S. Chamber of Commerce represents over 200,000 businesses throughout the nation.

A Wall Street Journal article earlier this year about Republican calls for the elimination of the Commerce Department was headlined ''Business Sheds Few Tears.'' The article went on to quote Clinton administration ally C. Fred Bergsten, director of the Institute for International Economics, as noting ''I don't think much would be lost'' if the Department of Commerce were eliminated.

Karen Kerrigan, president of the Small Business Survival Committee, recently rejected Secretary Brown's assertion that the business community would face dire consequences if the Department at the Commerce were dismantled: ''Having the Commerce Department at the Cabinet table has accomplished little in the past few years—in fact, taxes have risen and the regulatory burden has grown.''

Despite this resounding vote of no-confidence from the business community, Secretary Brown tries to claim credit for encouraging billions of dollars in U.S. exports and for creating hundreds of thousands of American jobs. Secretary Brown fails to understand that it is the spirit of American enterprise and entrepreneurship that drives the American economy, not government bureaucrats in Washington.

Steve Moore, director of fiscal policy studies at the Cato Institute, wryly answers the Secretary's exaggerated claims, ''Right. And if we could just find 10 more Ron Browns, the American trade deficit and unemployment would magically vanish.''

We are not, however, disputing the importance of many of the trade functions currently performed by the Commerce Department. We must aggressively pursue foreign markets and provide in-roads for American business. But to huddle these beneficial trade functions under the same administrative umbrella as the Weather Service, the Census Bureau, and the Economic Development Administration does not make sense. Our plan would change that.

That said, Mr. Brown's argument that Commerce has been a ''proven business ally at the Cabinet table'' holds little weight with America's business community and the American taxpayers who foot the bill.

Our plan provides a blueprint for what the Federal Government should be doing for American business: aggressively promoting opportunities and opening avenues for free and open trade for all industries.

Our plan will strengthen the important trade functions of the Federal Government. Currently, over 19 federal offices or agencies play some role in developing Federal trade policy. Our plan begins to consolidate this fragmented system, avoiding the confusion and missed opportunities that this scattered system often creates.

We will consolidate the trade programs of the Commerce Department, including the U.S. Foreign and Commercial Service and the Import Administration, into the Office of the United States Trade Representative, which already takes the lead in trade policy.

Secretary Brown has claimed that eliminating the Commerce Department will be tantamount to unilateral disarmament, gutting the ability of the United States to compete in world markets through aggressive export promotion and sensible trade policies. I don't think the American people buy that argument for a minute.

Mr. Brown's argument assumes that it is a good thing for the U.S. to have trade functions housed in an agency in which they are swallowed up. Do our trading partners think we are serious about trade when functions directly related to trade account for just 5 percent of the budget for the Department we call Commerce? Mr. Brown implies that our trade policy and promotion efforts will only work if they are carried out by lots and lots of people sitting in a very big building. I know the people of my district sent me here to challenge that kind of assumption.

The fact is, we can conduct a much more effective trade policy by restructuring and downsizing the trade bureaucracy. The current U.S. structure for trade policy—USTR as the leader, Commerce's International Trade Administration as the poor cousin—is an anomaly. It is wasteful, duplicative, and it reduces our effectiveness vis-a-vis our major trading partners, like Canada, Japan, France, and the United Kingdom, which have single, unified trade agencies.

I am absolutely convinced that, by breaking Commerce's trade functions out of a hidebound bureaucracy, by streamlining those functions, and by eliminating the senseless division that exists between USTR and the International Trade Administration, U.S. business will end up with a much more effective advocate, and our trading partners will face a much more formidable presence across the negotiating table. Our plan moves us toward that goal. We're not disarming—we're rethinking, retooling, consolidating and learning from the successes of our trading partners.

The Commerce dismantling plan will also consolidate the beneficial science and technology programs of the Commerce Department into the new National Institute for Science and Technology [NIST]. The General Accounting Office recently reported that Commerce Department efforts comprise only a tiny fraction of overall Federal scientific endeavors. Most of the Federal science and technology programs are carried out elsewhere in government.

Many of the Commerce Department's technology programs have become notorious as the golden gooses of what Labor Secretary Robert Reich calls corporate welfare. A prime example is the Advanced Technology Program [ATP], which provides multi-million dollar hand-outs to some of the Nation's industry giants. In most cases, ATP grants amount to nothing more than pork gone high-tech.

T.J. Rogers, the CEO of Cyprus Semiconductor, recently offered these thoughts about corporate welfare:

> Corporate welfare burdens successful companies and individuals with higher taxes and higher interest rates. And, as with social welfare, corporate welfare often hurts the intended beneficiary. The Department of Commerce is one of the primary vehicles for corporate welfare.

Our plan puts an immediate stop to these taxpayer funded giveaways.

Here again, we are moving closer to a government that makes more sense, where similar functions are housed together and the waste and duplication eliminated. The useful programs of the National Oceanic and Atmospheric Administration, including the National Weather Service, and the standards functions and labs of the National Bureau of Standards, are merged into the new NIST.

We consolidate Federal statistical functions, merging the Bureau of Economic Analysis [BEA] with the Bureau of Labor Statistics [BLS]. The Bureau of the Census will be held in the Office of Management and Budget for up to 6 months, in anticipation of the creation of a unified Federal Statistical Agency.

Our plan to dismantle the Department of Commerce will clean out the bureaucratic clutter from this attic of the Federal Government, eliminating over 40 unnecessary agencies and programs and shrinking those that have grown too big. For example, the plan terminates the U.S. Travel and Tourism Administration, the Technology Administration, the Economic and

Statistics Administration, the Economic Development Administration, and the Minority Business Development Administration.

We eliminate the Office of Technology Policy, the Advanced Technology Program, the Manufacturing Extension Partnership, the Federal Laboratory Consortium for Technology Transfer, and numerous other duplicative or wasteful programs.

Our plan will also free two agencies from the burden of government red tap. The National Technical Information Service will be privatized and the Patent and Trademark Office will be made into a government corporation.

Our efforts to dismantle the Department of Commerce are an important first step in downsizing the Federal Government and letting the American people keep more of what they earn and save.

Mr. SABO. Mr. Chairman, I yield 10 seconds to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, in response to the last speaker from Michigan, did you know that in your district 19,170 working families will have their taxes increased by this Republican bill, and in Michigan, students will have to pay $211 million more for student loans because of this bill.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, the driving force behind today's vote on the budget reconciliation is the goal to balance the budget by the year 2002. I believe most of us in Congress support the goal of balancing the budget. The question is, how, by what means, who makes the sacrifice, who will balance the budget on whose back?

Every citizen has the goal of balancing their personal budget. We make decisions, we make choices. We can decide to purchase a luxury automobile if we wish, but if an average American purchases a luxury automobile, they may have to sacrifice paying for their house, providing their children nutritious food. They may have to sacrifice providing their children with good health.

Most Americans, I believe, would forgo a luxury automobile in favor of choosing to do the right thing, supporting their family, supporting their elderly, supporting their children, providing for the basics.

We have a choice today. We can decide to pay the luxury tax of $245 billion for the most wealthy Americans and for those who do not need it, or we can decide to provide for the health care of our seniors, provide for the housing of our poor, provide for education of our children. We can forgo giving the 1 percent of our citizens, those who earn over $100,000, a tax cut that they have not even asked for.

Let us balance the budget, I say. I am for that, and so are many of my colleagues on the Democratic side. For that reason, we should reject the notion that the only way to balance the budget is to accept the Gingrich proposal of balancing the budget.

I support the Democratic substitute. Why? Because they balance priorities. They protect the poor. They make sure that Medicaid is there as an entitlement, and they fund the welfare program. If we are going to balance the budget, make sure we balance the priorities for all Americans, the poor Americans, which are the majority. We do have choices. Let us make the right decision for all Americans.

□ 1315

Mr. FRANKS of New Jersey. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. RADANOVICH].

Mr. RADANOVICH. Mr. Chairman, today is a great day in America. As you all know, it is fall. Back in my hometown of Mariposa in California it is also fall, and what appears about this time of year is something that is known as a face fly. Why they call it a face fly is because if you are outside and you try to do some work, you are trying to get something done, you get this tiny bunch of flies that are in your eyes, in your mouth and buzzing in your ears, and they are a major distraction.

Ladies and gentlemen, the Federal Government has become a face fly in the faces of the American people. I believe that we were sent here by the American people last November 8 to get American Government out of our faces.

This budget gives that face fly a good swat. It gives freedom to the American people and freedom from a body in this Congress for the last 40 years that has tried to be America's mother, tried to be America's father, tried to be America's pastor, tried to be America's employer. We are giving freedom back to the American people to live their own lives.

I would imagine that I have got working poor in my district and their message to you is, get out of my face.

Mr. SABO. Mr. Chairman, I yield 10 seconds to the gentleman from California [Mr. BECERRA].

Mr. BECERRA. Mr. Chairman, I would ask my colleague, the gentleman from California, to take a closer look at this budget, because he may not know this but 52,385 working families in his district in California will have their taxes raised through this Republican reconciliation bill.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Chairman, I rise in opposition to this legislation and I urge my colleagues to do the same. The bill before us represents bad policy; it is bad for America on several fronts, and I frankly fear for the future of our Nation should this legislation become law.

Supporters of this legislation are likely to talk about the future. They will say that over the next 7 years this bill will lead us toward a balance budget, and that they are doing this for their children and grandchildren.

Yet what kind of a world will these future generations be inheriting?

They will be living among seniors who do not receive adequate medical care or enough income to survive, despite having worked all their lives.

They will be surrounded by undereducated people, who were bought up in public schools that were plagued by drugs and violence and out-of-date books. Most of these people will then be relegated to menial jobs because they cannot afford a college education.

Everwhere they look, there will be whole families without adequate housing and without adequate help. Entire communities will be subject to decimation by crime, the lack of viable businesses, and by abject poverty.

Mr. Chairman, if this bill becomes law our children and grandchildren will be living in a world where hard work is not rewarded unless it reaps more than $100,000 per year.

This bill is rife with problems. In almost every area that this bill touches, it has the potential to wreak havoc on millions of Americans.

To add insult to injury—and there will be injury to millions of this Nation's most vulnerable citizens—this bill then gives aid and comfort to those who need it the least.

Let us look at just two unrelated areas which demonstrate the pain that this bill will inflict on millions of hard working Americans—the provisions addressing Federal employees and those addressing the Community Reinvestment Act.

Under this bill, Federal employees' contributions to their Federal retirement system will be increased and their cost-of-living adjustments will be delayed. In other words, Federal employees will be paying more and receiving less under this plan.

On another issue, this bill dilutes the effectiveness of the Community Reinvestment Act [CRA], which has been essential in past years in assuring that banks return some of the money they earn to the communities in which they are located. Through several provisions, this bill effectively exempts close to 90 percent of the banks and thrifts from CRA coverage. The bill also eliminates the sole enforcement mechanism in CRA.

While these two issues may not appear to be related, they are both in this bill and they are demonstrative of the destructiveness this legislation will cause to average Americans.

While I will not claim that this Congress under Democratic rule was able to resolve all of this Nation's problems, at lest we attempted to address them. This bill is simply saying to the old, the infirm, the middle class, the working poor, the students, and the children, that Congress no longer cares about their pain.

With this bill, we are saying that Congress has new priorities, and the average American is not one of them.

Mr. Chairman, I oppose this bill.

Mr. SABO. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri [Mr. CLAY], the ranking Democratic member of the Committee on Economic and Educational Opportunities, be permitted to control the next

16 minutes of time on our side and that he be permitted to yield portions of that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FRANKS of New Jersey. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, let us talk in realistic terms about the middle class in America. The fact is the middle class carries the huge working burden for this entire country. The fact is that what has happened over the last few years is that the middle class, in order to survive, has had to go from one-earner families to two-earner families and sometimes now to three- and four-earner families just to keep pace.

What has Government done along the way as we have taken on the middle class? Well, what we have done is literally taken them on by raising their taxes. We have raised their Social Security taxes, we have raised their Medicare taxes, we have raised their income taxes, and over the last 20 years more and more we have undermined their ability to keep what they earn for themselves and use it for their families.

The coup de grace was literally put in place a couple of years ago when this administration, and this Congress raised taxes enormously, the biggest single tax increase in history. Even the President now says it was too much tax. It was a huge tax increase. What it did was literally programmed in tax increases now and well into the future.

What we are trying to do in our budget is give back a little bit of that money to those people, to take away some of the tax increase that was imposed on them 2 years ago.

What do we hear? Oh, it is a tax cut for the rich. No, what is really does is goes to average middle-class Americans in a $500 per child tax credit and gives them back some of what was taken away from them by this Congress and by this administration.

Democrats do not like that. But the fact is that that is what has to be done if middle-class America is going to get back that which they earned for themselves.

What is the plan that we are offered in opposition to what we are doing? They want to continue those programmed tax cuts right on into the future. This year it will be $188 more the average family. Next year it will be $159 more for the average family. They continue those tax increases right out into the future. That is wrong. Middle-class America deserves the tax break that is contained in this budget.

Mr. CLAY. Mr. Chairman. I yield 10 seconds to the gentleman from New York [Mr. ENGEL]

Mr. ENGEL. In response to the last speaker from Pennsylvania, did the gentleman know that in his district 12,921 working families will have their taxes increased by this Republican bill and in Pennsylvania college students getting loans will have to pay $400 million more?

Mr. CLAY. Mr. Chairman, I yield myself 2 minutes.

(Mr. CLAY asked and was given permission to revise and extend his remarks.)

Mr. CLAY. Mr. Chairman, for almost a year, the Republican party has been making extravagant promises to the American people in the form of their contract on America.

A lot of well-meaning, sensible people bought into this charade. In street language, the Republicans are pulling off a classic bait and switch; they made a set of promises to the voters in order to gain power, but now they are delivering a different bill of goods that will smother the aspirations of middle-class families. Republicans are rewarding their rich supporters by hurting those who simply want to pursue the American dream through higher education.

To help finance their tax cuts for the rich, the Republicans propose to cut $10 billion from the student loan program. For many middle class, hardworking families, student loans have done more to open the doors of opportunity for their children than any other program established by the Federal Government.

The American people did not ask the Republicans to give a multi-billion dollar tax cut to the rich. The American people did not ask the Republicans to make it harder for their children to attend college by increasing the cost of student loans.

Mr. Chairman, for 50 years, our national investment in higher education has had an extraordinary rate of return. But, obviously, such generosity is too liberal and too progressive for the Republican party. On the eve of another Halloween season, this House is haunted by the ghosts of society past, when a college education was a privilege reserved for the children of the elite.

I urge my colleagues to defeat this wretched reconciliation bill.

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

Mr. FRANKS of New Jersey. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BONILLA].

Mr. BONILLA. Mr. Chairman, this is a great day for America. We have a real chance to vote on a balanced budget today using real money, real numbers, and real cuts.

It is wrong to live beyond our means. We do not do it in our homes. We do not do it in our small businesses. We do not do it in our churches. It is wrong to continue to indebt future generations. Most of all, it is wrong and dead wrong to reject this one best opportunity to reverse the growth of Government, restore individual freedom, and lower the present and future tax burden for all Americans.

This budget bill puts America on track to a balanced budget and higher standard of living for all Americans in years ahead. This bill saves Medicare and the earned income tax credit, which is very important, while reforming welfare and providing American families with a much needed tax credit.

My colleagues, this is not a perfect bill. The agriculture section of this bill must be improved, and I am hopeful that it will be. It is a bill that must better address reimbursement for federally mandated Medicaid treatment. Also lost will be an opportunity to repeal a big boondoggle, the Davis-Bacon Act. But we can make these improvements.

I urge Members to vote ''yes'' on this bill.

Mr. CLAY. Mr. Chairman, I yield 10 seconds to the gentleman from Texas, [Mr. GENE GREEN]

Mr. GENE GREEN of Texas. Mr. Chairman, does my colleague, the gentleman from Texas, know that in his district, if this bill passes, 51,213 taxpayers will pay in increased taxes because of changes in the earned income tax credit and in Texas he will lose $337 million in student loans?

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. ANDREWS].

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Chairman, I thank the ranking member for yielding me the time.

Mr. Chairman, I rise today in opposition to the Republican bill and in support of the coalition alternative. Today I believe that there is a majority of principle for a balanced budget but only a partisan majority for the balanced budget plan offered by the Republican majority. That is because the Republican majority asked those who are best able to help themselves to do the least and those who are least able to help themselves to do the most. Nowhere in this budget is that more evident than in the field of education, and nowhere is that more evident than in the direct lending program which is abolished by the Republican bill.

My friends, the Republicans are abolishing the direct lending program because it works so well, because it shows American students and American taxpayers that this program works better than the billion-dollar-a-year corporate welfare giveaway to the banking industry, than to the hundreds of bureaucracies that have sprung up around the country wasting the money of students and taxpayers and families.

Direct lending will be preserved after the President vetoes this bill and we come together as a principled majority for a balanced budget. But none of us should vote for a bill that says to a janitor that we will raise your taxes while we lower the taxes of the person whose office you clean at night. No one should vote for a bill that says to the salespeople working for that company president, your children will pay more to go to college or will not go at all, at

the same time that the largest argibusiness in America walk off scot-free. It is the right principle. It is the wrong path to get there.

Our principled majority will join together after our President has spoken and pass a 7-year balanced budget the right way. This is not it.

Mr. FRANKS of New Jersey. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Florida [Mr. BILIRAKIS].

(Mr. BILIRAKIS asked and was given permission to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Chairman, we all want America to remain the strongest country in the world. We want our children to grow up healthy, well-educated, drug free, and prosperous. And we want to reduce the burgeoning Federal deficit.

However, we on this side of the aisle recognize that we cannot achieve our first two goals without first addressing the deficit. We simply must get control of escalating Federal spending.

Former Senator Paul Tsongas made this clear when, appearing before my Health and Environment Subcommittee earlier this year, he testified:

> The bipartisan commission on entitlement and tax reform shocked even cynical inside-the-beltway types by pointing out that, on the current path, entitlement programs plus interest will exceed all Federal revenues by the year 2012.

Mr. Chairman, that is just 17 years away.

We do not like having to say, over and over, that Federal Government spending must be contained, that waste must be eliminated, that the bloated bureaucracy must be deflated and that all programs must be examined with an eye toward cutting. We do not like to argue, over and over again, that we need a balanced budget amendment and a line-item veto.

It would be much easier to just keep piling money on every program year after year. But it would not be responsible. Unwarranted scare tactics and false information to score cheap political points do not help.

Mr. Chairman, we must pass this landmark budget reconciliation bill to balance our Federal budget and begin to honestly address our Nation's problems.

Support this bill.

□ 1330

Mr. CLAY. Mr. chairman, I yield 10 seconds to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, in response to the last speaker, did you know that in your district, 32,028 working families will have their taxes increased by this Republican bill, and in Florida college students getting loans will have to pay $276 million more?

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentleman from Rhode Island [Mr. REED].

Mr. REED. Mr. Chairman, I rise in opposition to this budget reconciliation before us today.

At the very time in our history when we need to invest more in education, this bill takes a step backwards. It goes after important programs that will help improve our education, like setting higher standards for our schools, providing for safe and drug-free schools, providing technology for our schools. These are devastating cuts to education.

When you look at the reality and get beyond the rhetoric, for working families in Rhode Island, this is even worse than the educational cuts. When you look at the Medicare proposals and the Medicaid proposals, you will see working families in Rhode Island have the cruel choice of saving more money to take care of aging parents or saving money to invest in their young children, indeed probably choosing between which fortunate child will go to college and which will be forced into the world, a complex world, without benefit of higher education. We can and must do better to ensure all of our citizens, all of our citizens have access to quality education.

Indeed, this whole proposal rests on very, very shallow grounds. The direct loan program is an example of a program that works for America, that saves money for taxpayers, is universally accepted and applauded by students and colleges alike, yet targeted for extinction. Why? Because it works too well, because it displaces bank-subsidized loans rather than providing direct loans to American students. This gimmick was employed in this new bill by changing the budget rules so we could make this efficient program look more expensive rather than more efficient as it in reality is.

These types of gimmicks underscore the cruel cuts imposed on this bill. We have to invest in education. Our economic prowess today is a result of consistent Federal policies, beginning with the GI bill, stretching through Pell grants, all of them aimed to improve human capital, the ability of our citizens to be the most educated, the most productive in the world. Yet we turn our back on that proud history and condemn our Nation to ignorance.

I reject this measure.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. HOSTETTLER].

(Mr. HOSTETTLER asked and was given permission to revise and extend his remarks.)

Mr. HOSTETTLER. Mr. Chairman, while I come to the floor to express my overwhelming support for this reconciliation bill, I want to make a very important point. This debate today is about so much more than the nuts and bolts of achieving a balanced budget, about accusations that Republicans are giving a tax break to the wealthy or about irresponsible individuals calling an almost $2,000-per-person increase in Medicare, a spending cut.

This is about doing what is right, what is decent, and what is required of us to do if our children and grandchildren and our parents have any chance of surviving the failure of past generations of lawmakers to exercise any kind of fiscal responsibility. This is plainly and simply the right thing to do.

Mr. Chairman, in conclusion, as I know when I sit down we are going to hear some remarks about those people in my district impacted by this bill, but these are from the same folks that said they were concerned about health care for the elderly but when faced with Medicare's imminent bankruptcy, they chose bankruptcy. We said we want to cut taxes for working families, but they did not. We said we want to balance the budget, but they did not.

Mr. Chairman, I think it just goes to show that adage, you can fool the country once, shame on us, fool the country more than once, shame on those.

Mr. CLAY. Mr. Chairman, I yield 10 seconds to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I would like to respond to the speaker from Indiana, wondering if he knows that in his district 31,695 working families will have their taxes increased by this Republican bill.

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. ROEMER].

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Chairman, there is no doubt that we need to cut spending and balance the budget. The debate is not about whether we have a balanced budget, especially with our coalition budget that we Democrats will offer today. It is a question of fairness to the American people and to the children and the students of this country.

The big difference between the Republican plan and the coalition plan is cutting taxes. The Republican plan cuts taxes by $250 billion, so it takes money out of very important programs like Head Start for children, where they kick children out of Head Start programs and student aid for student loans. Now, what are the American people saying about these tax cuts? When I read about the people who testified before the Committee on the Budget and their testimony, all across this country, in Arizona, New Jersey, they said things such as Mr. Frank Ramsey in Arizona, ''We here feel in Prescott what needs to be done first is cut spending long before cutting taxes.''

In Montana, Greg Pearson said, ''I think it is absolutely foolish for Congress to talk about reducing taxes at all.'' Lynn Dill in Delaware said, ''Gentlemen, I am not looking for a tax cut. I want the best thing for the country and for the children.''

The second major difference between the Republican plan and the coalition plan is that that cuts $10 billion out of student loans. I have Indiana University at South Bend [I.U.S.B.] in my district. The average age is 28. We have

factory workers going back to school to get new skills so that they can continue to earn money for their families. We have people 55 changing their careers, going to I.U.S.B. This proposal will say to so many of these students that are 28, 38, and 48 years old, no more educational opportunities for you.

Mr. Chairman, let us sacrifice together equally. Let us not do the tax cuts at this time. It is inappropriate and unfair.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. LEWIS].

Mr. LEWIS of Kentucky. Mr. Chairman, for 40 years we had a tax-and-spend Congress. In 1965, the war on poverty; for 30 years there has been a war on poverty, $5 trillion has been spent. And what have we got? We have more in poverty, we have more welfare, more illegitimacy, lower education, higher crime, more poverty, more drugs.

It is time to reform. It is time to balance our budget.

That Congress for 40 years spent us into a $5 trillion debt. Now, I am not going to pretend that today is going to be easy to vote on this bill, but it is time that we balance our budget.

If a House run by Democrats for 40 years had not spent the American people into the ground, we would have more resources, but we do not. Today we vote on whether to stop the bleeding or whether to continue down a path that will lead our Nation, our seniors, and our children to economic disaster.

Mr. CLAY. Mr. Chairman, I yield 10 seconds to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, in response to the gentleman from Kentucky, did you know that in your district 34,543 working families will have their taxes increased by this Republican bill, and in the State of Kentucky students will have $75 million less for student loans?

Mr. CLAY. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. GENE GREEN].

Mr. GENE GREEN of Texas. Mr. Chairman, I thank the gentleman for yielding me this time.

I want to know how many Members on the Republican side have had a chance to read this bill. Maybe if they had, they would notice two things in the bill. One of them is that it cuts student loans, but also that in relation to that, the quote from our majority leader on the Senate side that said, ''I was there fighting the fight, voting against Medicare in 1965,'' and now he is proud to be doing it again. I hope they would look at that bill in relation to these quotes from this week.

There is an old saying that only the ignorant fear education. I rise today to urge my colleagues to vote ''no'' against ignorance and to vote ''no'' against this careless and irresponsible bill we have today.

The Republicans, in their zeal to balance the budget, eliminate the stafford student loan 6-month grace period. This attack on students will increase college loan costs by $3.5 billion nationwide and $331 million in the State of Texas alone. College students will have to take out additional loans just to pay the interest.

This shows the Republicans' commitment to education, in addition, the commitment on the plus loan, or raise the interest rates for parents.

Mr. CLAY. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York [Ms. VELÁZQUEZ].

(Ms. VELÁZQUEZ asked and was given permission to revise and extend her remarks.)

Ms. VELÁZQUEZ. Mr. Chairman, I rise in opposition to the Republican budget proposal.

Mr. Chairman, I rise in opposition to the current Republican budget proposal and urge a vote against this attack on working men and women.

My colleagues, what we have before us today is the naked shift of wealth at its very worst. We are robbing working class Americans to pay for tax breaks for the wealthy. In the past we have talked about changing spending priorities and investing in working America. This legislation is nothing more than a debate on de-investing in working America.

In today's society when the top 4 percent of the population's total earnings already exceed that of 50 million working class Americans—something is very wrong. Where is the fairness in giving more to those who already have so much, while taking so many desperately needed programs from those that have so little.

With reductions ranging from the earned-income tax credit, and the low-income housing tax credit, to cutting support for education, job training, and infrastructure, this budget finishes the Republicans' goal of removing society's safety net, and ending many working American's dream of a better life.

In the future we will still see groups of very prosperous people. But they will be flanked by larger groups of working poor. Sandwiched in between will be an unstable middle class, struggling just to hang on. This new polarized society will make America look more like a third world country than a world leader.

Today's vote marks the end of an era. Gone will be the world in which mothers and fathers hoped and dreamed that their children's lives would be better than their own. Today with this vote that dream will cease to exist. My colleagues, before you vote ask yourself—is balancing the budget on some arbitrary date, worth the price of our children's future? I think not.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I would like to ask the gentleman from Texas a question. Does the gentleman from Texas know how much money he is depriving his constituents by voting against the $500 tax credit?

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. SHAYS. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. I do not have that information. But I would imagine in my district, to my colleague and my friend, who is chairman of my committee, my district has a $25,000 median income, and they will not even be eligible.

Mr. SHAYS. Reclaiming my time, I say to the gentleman from Texas, you have given statistics. I want you to know that your vote against the $500 tax credit is going to cost your constituents $60 million.

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume and yield to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Chairman, I am really confused on this. I thought I heard the gentleman from Florida [Mr. GIBBONS] yesterday ask you if the $500 tax break was actually in this bill. I thought I heard you say it is not. Now I am asking for a clarification. Is it or is it not?

Mr. KASICH. Since I yielded to the gentleman, the actual $500 tax credit is not contained in this bill, because we went from a bill that had 350 billion dollars' worth of tax relief to $245 billion. And now, the simple fact of the matter is that at the end of the day we will march on this floor in a conference report on reconciliation with a $500 tax credit contained in the final product.

Mr. TAYLOR of Mississippi. But it is not in this bill?

Mr. KASICH. I control the time.

Mr. TAYLOR of Mississippi. I am sorry.

Mr. KASICH. I cannot tell you what the ratio adjustment would be, but I would hope that nobody would attempt to distort or try to deceive people that it is somehow not the intention of the Members in this House to deliver a $500 tax credit.

Now, you cannot have it both ways. Out of one side of your mouth you cannot say we want to have it, we do not want to have any tax relief for Americans, and then on the other side of your mouth berate us because we do not technically have it done because of the way in which we do our scoring rules.

So the bottom line is we will have a $500 tax credit, and as the gentleman from Connecticut just pointed out, one of the last speakers is going to lose about $60 million from his district because he opposes the $500 tax credit.

Mr. Chairman, I yield 2 minutes to the——

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. KASICH. Mr. Chairman, can the Chairman maintain order in the House? Regular order.

Mr. GENE GREEN of Texas. Parliamentary inquiry.

The CHAIRMAN pro tempore (Mr. BILIRAKIS). The time is controlled by the gentleman from Ohio.

Mr. GENE GREEN of Texas. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Ohio has chosen at this point in time to yield to the gentleman from Wisconsin.

Mr. GENE GREEN of Texas. Mr. Chairman, I am not asking the gentleman from Ohio for a parliamentary inquiry. I am asking you for a parliamentary inquiry.

The CHAIRMAN pro tempore. The time is controlled at this point.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Chairman, I thank the gentleman, my colleague on the Committee on the Budget, and congratulate him for all the terrific work he has done.

Friends, last month, a close friend of mine, Rick Raemisch, sheriff of Dane County, had a baby with his wife, Colleen. My family sent him off, as you might expect, a present and said, ''Congratulations.''

This place managed to send, along with our President, a tab for $190,000. That is the interest that little baby now owes this country because of the national debt this Congress has run up over the last 30 years.

I have got three boys at home, ages 3, 6, and 10, and combined, all of them now owe a half-million in interest payments because this Congress has not been able to control spending over the last three decades.

We have to balance the budget because this plan does it over the next 7 years, and it saves the promise of America for Rick and Colleen's little baby and for my three little boys.

It also saves Medicare for my 78-year-old mom, who lives in Milwaukee and who is scared to death if Congress does not do something that Medicare is gone completely, that it vanishes in the year 2002. We have to live up to our promises to our constituents to balance the budget. That is why I came here in the first place, and that is what this vote is all about this afternoon.

It is about a newborn baby in Madison, WI, and it is about my 78-year-old mom, moms and grandparents and fathers all across this country.

I urge my colleagues to vote ''yes'' to finally manage to balance the budget in this place over the next 7 years.

□ 1345

Mr. CLAY. Mr. Chairman, I yield 15 seconds to the gentleman from Texas [Mr. GENE GREEN].

Mr. GENE GREEN of Texas. Mr. Chairman, the gentleman, who is a good friend of mine, did he know that in his district, 19,900 more working families would have their taxes increase if this bill passes? And in my own district, 57,757 families would have their taxes increased if this bill passes today, 57,757 in my district in the State of Texas.

Mr. CLAY. Mr. Chairman, I yield 1 minute to the gentlewoman from Hawaii [Mrs. MINK].

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Chairman, I thank the ranking member of my committee for yielding me this time. I rise in strong opposition to this bill.

It is called a reconciliation bill, but under my definition, reconciliation means bringing people together and trying to reconcile differences. The majority party has made no such attempt, and we find in this bill crushing destruction of bills that have brought so much progress to our country. In Medicare and Medicaid, they are going to cut $455 billion.

We have already seen devastating cuts in the appropriations bill for this year in education, and this bill brings another $10 billion of cuts in student programs to enable them to go to college. We have always talked about the importance of education for our future, for our ability to compete globally and how important it is to support our young people in going to college. This bill that we are being asked to vote on today crushes that opportunity, denies millions of students the opportunity to go to college. This is a backward moving bill. I urge that it be defeated.

Mr. Chairman, I rise in strong opposition to H.R. 2491, the Seven Year Balanced Budget Reconciliation Act of 1995, because it breaks faith with the promises made to millions of Americans who have trusted the Government to provide certain basic services which safeguard their and their family's health, education, and welfare.

This reconciliation bill is a process gone amok. It was initially intended to coordinate the work of all the committees and enable the Congress at the end of the session to know what the total budget spending was and in addition provide for the needed legislative action required to implement actions taken by the appropriations committee. The budget process was intended to bring greater collaboration and cohesiveness in the work of the Congress.

This bill attempts to implant a 7-year budget restriction by enacting in one bill thousands of changes in statutory law intended to achieve cuts in spending in order to reach a balanced budget by the year 2002. It has created chaos and literally abandoned sunshine and open government.

I do not believe that this budget process was created to foist upon an unsuspecting public, who scarcely understands what we are doing, these monstrous changes in current law that could affect so many lives, so drastically, without open discussion and due debate.

Imagine a Medicaid and Medicare reconciliation which cuts $455 billion over a period of 7 years. These cuts were devised somewhere in the back room in secret. There were no public hearings on the thousands of sections containing these devastating cuts. These are not just pages in a bill. These cuts sever the life connection for our elderly and for many it will be disastrous choices and heavier burdens on their already hard pressed children.

On page 1242 of this bill, title XI Medicare states, ''text to be supplied.'' We have to presume that the 1,000 page bill that we voted on October 19, 1995 is what is intended to be inserted. This bill cut $270 billion of the Medicare Program without even 1 day of hearings. We know that various sections of the bill were changed during last minute negotiations, and one wonders what other changes were added to Medicare, and all the other sections.

Reconciliation means putting together the annual spending bills and making certain that statutory changes were made to align the spending with the law. That is what reconciliation should mean.

Instead this reconciliation has evolved into a demolition process in which wholesale massive destruction of programs are hastily included under the guise that it is necessary today under time targets set in the law for entirely different purposes.

One could argue about the necessity of various programs. One could differ about its efficacy. But these differences need to be discussed in the light of the day with full and open disclosure in public hearings and only after thorough and complete understanding about what is being proposed should they be brought to the floor for a vote.

There is no justification that we vote to eliminate the Department of Commerce without opportunity to debate what happens to all of the programs contained within it. This process is a disgrace and demeans this institution. There is no reason for this haste. This is deliberate chaos.

The budget resolution we passed in the spring called for the committees to report their recommendations. The Agriculture Committee did not report their recommendations. Nonetheless a recommendation is being added to this reconciliation bill by edict of the Speaker. This bypass of a standing committee is unprecedented. It is a derogation of authority and threatens the constitutional basis upon which we stand.

The 245 billion dollars' worth of tax cuts are supposed to be included in this reconciliation bill. Yet on page 1563 of the bill H.R. 2491, it still says, ''Text to be provided''. What changes are we voting on compared to the bill that the House passed in the spring?

The page where the welfare reform bill is supposed to be is also blank. We are told that it is intended that the House passed welfare reform bill is to be inserted.

It is clear to me that the thrust of this 7-year plan is to abandon the poorest, neediest, and most helpless of our population. It is definitely a plan that balances the budget on the backs of our children, our poor, our sick, and our elderly and disabled population.

Furthermore the size of the deficit is increased under their plan by the $240 billion tax cut, half of which goes to the 1 percent of our wealthiest people. Imagine giving these huge tax breaks, and on top of that repealing the alternative minimum tax which currently imposes tax on the super rich who otherwise would escape any payment whatsoever.

The tax benefits given the rich, is paid for by the poor, the ill, the elderly, the unemployed, and the disabled. It's simple mathematics. If you give away a tax dollar you should have collected, in order to still have a zero deficit, you have to take away a dollar's worth of benefit from someone.

No matter what the majority party says, the 245 billion dollars' worth of tax cuts, has to be paid for in order to have a balanced budget.

Let me outline the most egregious of all the cuts in programs that will result if this Reconciliation bill is enacted.

EDUCATION

You recall that in this year's appropriations bill for fiscal year 1996 we already cut education spending by $4.1 billion. A long list of programs were eliminated and many were cut

back badly. Our education spending priority is gone.

This reconciliation bill proposes an additional $10.1 billion of cuts over the next 7 years in various aspects of the student loan program. This is a crushing blow to thousands of students who could not make it through college without this help. The numerous changes in the program will enable the financial institutions to toughen the eligibility requirements freezing many students from getting their loans.

H.R. 2491 seriously undermines the ability of parents and students to get loans, increases the costs of these loans, and jeopardizes the structure and integrity of the program.

Eliminating the Federal interest payment during the 6-month grace period is expected to cost students $3.5 billion over 7 years. The grace period was instituted because the greatest number of defaults occurred in the first few months of repayment, when students often had difficulty finding jobs and establishing a steady income.

Republicans have also reduced the amount of money parents can borrow under the PLUS loan program and increased the interest rate charged to parents.

Perhaps the greatest harm to students and parents will come indirectly from the new costs imposed on lenders, guaranty agencies and secondary markets. The impact of these new fees and costs will increase costs on lenders and guaranty agencies causing many to leave the program, limiting access to student aid and result in redlining. This will take us back to a time which only the well-to-do had access to higher education.

These problems in gaining access to student aid will also be compounded by the elimination of the direct loan program. While Republicans insist that they support student aid, their recent actions speak otherwise. The direct loan program is the second student aid program that the House Republicans have voted to eliminate this year. The other program, the State student incentive grant program was zeroed-out in the appropriations bill.

TAXES

With respect to the $245 billion package of tax cuts, the House GOP would direct 52 percent of the package's benefits to families with incomes of over $100,000, of which 28 percent would go to families with incomes over $200,000. The proposed reduction in taxes would range from a meager $53 per year for families with incomes of $10,000 to $20,000 up to a whopping $10,362 for families with incomes of over $200,000.

The House GOP reduces the earned income tax credit by $32 billion, by rescinding the credit to families without children, broadening the definition of income used to calculate eligibility, and reducing the income level at which families can receive the EITC.

WELFARE

Although not printed in H.R. 2491, I presume the House-passed welfare reform bill has been made a part of this bill. These measures would desert low-income families in times of greatest need and punish children just because they are poor.

Most of those receiving welfare—Aid to families with dependent children, [AFDC] are children—approximately 10 out of 14 million recipients. The arbitrary lifetime limit of 5 years for cash assistance with cut off benefits to families while ignoring special circumstances these families endure. This time limit is punitive because most recipients are cyclers, unable to sustain employment and support their families continuously because at least one vital element is missing: child care, job assistance, education, health care, housing assistance or transportation.

By refusing to provide all elements of this necessary safety net, this bill denies welfare families true opportunity at self-sufficiency. Stringent work requirements as conditions of cash assistance are unreasonable without job creation. It is unrealistic to expect welfare recipients—mostly single mothers—to be able to find a good job paying a living wage while the country's unemployment rate remains high.

Low-income families will be further punished through the discontinuation of entitlement status for several programs and establishment of various block grants to States in this bill. By capping spending for these programs, States in times of fiscal hardship would be deserted, unable to receive additional Federal assistance despite the fact that the number of individuals relying on government assistance would grow. By placing programs for low-income families into block grants, the bill carries no assurance that States will use funds for these needy families.

Funding reductions and benefits caps in the Food Stamp Program, as well as the elimination and block-granting of the school lunch and breakfast programs, will severely threaten child nutrition in America. In Hawaii alone by 2002, nutrition assistance for 50,000 children would be cut; school lunch, the Supplemental Nutrition Program for Women, Infants and Children [WIC] and other child nutrition programs serving 184,000 children would be jeopardized. Nationwide, 14 million children in 2002 would lose nutrition assistance, and 32 million children could lose nutritional support.

Among other impacts of these welfare provisions, the administration estimates that more than 400,000 American children will lose child care assistance in 2002—1,450 children in Hawaii by cutting $10.6 million over 7 years. Foster care and adoption for vulnerable children will be cut by $6.3 billion over 7 years—by $32.9 million from children in Hawaii. Child protection for abused and neglected children will decrease by 19 percent in 2002—24 percent in Hawaii. Furthermore, because their paternity has not been established 3.3 million American children will be ineligible for cash assistance—12,000 in Hawaii—by the time the House bill is implemented in 2005.

Just as disagreeable in this legislation are measures to deny Federal benefits to legal immigrants—those who have followed the letter of the law and paid taxes. Most legal immigrants would be denied by assistance from Supplemental Security Income [SSI], Medicaid, food stamps, temporary assistance for needy families block grant and social services block grant programs.

Finally, the bill before us would change eligibility requirements for SSI and reduce spending by $17.6 billion over 7 years. It is appalling that this bill would allow only those low-income children to receive SSI who are severely disabled so as to require institutionalization if they are without continuous personal assistance. As many as half of the disabled children in Hawaii projected to receive SSI in 2002 under current law would be denied benefits; the figure is as many as 55 percent nationwide.

MEDICAID

Once again it is our children, low-income families, and the elderly that will feel the brunt of the Republican Medicaid plan. The Republican Medicaid plan wipes out guaranteed health care coverage for 36 million Americans, most of whom are children and cuts the program by $182 billion over the next 7 years.

Under the Republican plan no one is entitled to coverage for any services, regardless of how basic—even prenatal care, immunization for children, and care for the disabled. Instead of the current Federal guarantee of care, States will now be able to decide eligibility requirements, the level of benefits and services, and with at least 20 percent less funding they will have no choice but to cut off people or cut services.

Children will be among the most vulnerable to suffer from these cuts. The U.S. Department of Health and Human Services estimates that as many as 15,161 children in Hawaii could lose Medicaid coverage under this plan. Currently 15 percent of Hawaii's children rely on Medicaid for the basic health needs. But the Republican plan will cut Federal Medicaid dollars to Hawaii by $443 million over 7 years.

The Urban Institute estimates that even if Hawaii could make up half of these cuts by reducing services and provided payments, it would still have to eliminate coverage for 29,557 people, including 15,161 children in the year 2002.

The other primary group of people who will be hurt by the Medicaid cuts is the elderly and disabled who depend upon Medicaid for long-term care. The majority of Medicaid funds goes to pay for long-term care—institutional and home care—for the elderly and disabled. In Hawaii Medicaid currently pays 60% of the costs of elderly in nursing homes. 74% of Hawaii's 3,289 nursing home patients rely on Medicaid to pay their bills.

Under this bill Hawaii's elderly and disabled will no longer have the assurance of Medicaid assistance for their long-term care. The program has been converted to a block grant to states under an inflexible, potentially inequitable formula. In addition, the bill repeals federal quality standards for nursing home residents. The bill also allows states to place liens on assets of adult children before their parents can be eligible for Medicaid.

HOUSING

With respect to housing, the Budget Reconciliation Act makes numerous reckless cuts. H.R. 2491 terminates the Resolution Trust Corporation [RTC] and Federal Deposit Insurance Corporation's [FDIC] affordable housing programs. Under the RTC affordable housing program, more than 104,000 residences have been sold for $1.5 billion while eliminating these programs will save a mere $32 million. These relatively meager savings will abolish these sensible and necessary services.

HUD's multifamily property disposition would be practically wiped out. This bill authorizes HUD to sell its multifamily housing projects and HUD-held mortgages without restriction. There will be no protections for displaced low-income tenants forced to enter the market and locate suitable housing that will honor a voucher. Tenants will not be guarded from rent increases and will be required to pay the difference when rents rise above the value of their voucher.

The Rural Housing and Community Development Service will be required to recapture

Federal subsidies from rural housing borrowers when a home is refinanced or a single family direct loan mortgage is paid off. A low-income family that has spent years saving their scarce resources to purchase a home will be further burdened with repaying principal and interest on a refinanced first mortgage as well as the interest credit subsidy recaptured upon refinancing. This policy goes contrary to helping families obtain the American dream; delaying efforts of low-income families to purchase their own homes.

Despite weighty testimony that many low- and moderate-income individuals are not currently assisted adequately, this bill eliminates all enforcement mechanisms of the Community Reinvestment Act [CRA]. The responsibility of financial institutions to meet the credit needs of their communities will not be monitored. Institutions could invest more outside of their communities thereby slowing the growth of these already distressed areas and make it increasingly difficult for its citizens to obtain loans.

MEDICARE

Last week this House passed Medicare cuts of $270 billion. Medicare is not about cold pieces of metal fastened together to create a space station or a stealth bomber. It is about people's standard of living. It is about having the comfort and security to know that if you become ill in your years of twilight, or disabled at any age there will be a safety net.

There are already 41 million people in this country without health insurance. Does anyone in this room believe that this number will decrease as a direct result of these provisions to cut Medicare?

The majority claims that seniors will have more choice with their Medicare plan. Sure they will have new choices but in addition, I caution you to be aware that old choices will be eliminated. Among the new choices will be the option to select a medical savings account that could have a $10,000 per year deductible; the choice to stay with a skeleton of the traditional Medicare system that will not pay for all the services it did before; and to select a provider service organization that will be unregulated, unsafe, and financially vulnerable, until States are able to implement their own regulations.

Meanwhile, old choices will be abolished. This bill includes provisions that would remove a patient's legal right to sue for malpractice more than 5 years after damages were sustained even if damages were not discovered until after this period of time; patients would not have the choice to select a nursing home that maintains federally regulated standards; and beneficiaries who exercise their choice and select a Medicare-plus option could later find that they do not have the choice to select their family doctor under their new plan.

Why are we rushing these catastrophic cuts when we have 7 years at the earliest before the Medicare trust fund will become insolvent. The Medicare trustees have not stated that we need Medicare cuts of $270 billion to make the trust fund solvent. One Trustee stated that $89 billion is all that is needed. We have 7 years to plan these changes and we have done it 8 times before.

DEPARTMENT OF COMMERCE

The reconciliation bill eliminates the Commerce Department causing needless shuffling of governmental functions while eliminating successful activities that clearly benefit the American people especially in areas that promote economic growth, increase the international competitiveness of U.S. firms in global markets, and advance U.S. technology.

H.R. 2491 eliminates four agencies, the Minority Business Development Agency, U.S. Travel and Tourism Administration, Technology Administration and the Economic Development Administration. The remaining Commerce programs not eliminated are transferred to existing agencies or departments or consolidated in newly created agencies.

The U.S. Travel and Tourism Administration and the Economic Development Administration have been particularly important to economic and business development in Hawaii. These two key agencies were major contributors to the economic recovery of Kauai following Hurricane Iniki.

It is highly contradictory that Republicans who pride themselves as supporters of private enterprise would eliminate a whole agency dedicated to improving business and economic development.

The transfer of the National Oceanic and Atmospheric Administration [NOAA] to a new agency threatens weather services, State grants, fisheries, research, navigation, and sanctuaries nationwide. Negative effects of this provision will be felt the hardest in Hawaii as numerous programs lose funding or are terminated.

Finally this bill contains a provision to lift the ban on export of Alaska North Slope [ANS] crude oil which would have disastrous effects on Hawaii's consumers, who already pay the highest gas prices in the Nation. According to industry experts, this measure could increase wellhead prices for ANS by more than $2 per barrel, which would translate directly into skyrocketing gas costs for Hawaii, whose refineries run on 60-percent crude oil. The 22-year-old export ban on ANS has enabled Hawaii's refineries to hold costs down.

Should the ban be lifted, as gas prices start to rise, Hawaii and the U.S. territories would begin to receive less ANS crude. According to the State's largest refinery—BHP petroleum Americas—removal of the export ban would make exports to Pacific rim countries more attractive. The ANS provision is terribly irresponsible, at a time when the United States is importing nearly half of its petroleum, to allow domestic oil to go to foreign countries.

This is just a brief description of the thousands of harmful consequences of this bill. This bill must not become law. It destroys America's belief in what Government stands for.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I would like to just have a very calm dialog with my good friend; he truly is a good friend and someone I respect from Texas. I would just ask the gentleman to share that, the gentleman says in my district, What?

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. SHAYS. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, 11,207 would see increases in taxes from earned income tax credit, but also your district would benefit from the increased taxes.

Mr. SHAYS. Mr. Chairman, so the gentleman is talking about the earned income tax credit. Is it the gentleman's point on the floor of the House that any of my constituents who get the earned income tax credit will get less next year?

Mr. GENE GREEN of Texas. Mr. Chairman, if the gentleman will continue to yield, the number, the 11,000 number is based on the number of constituents you have that are eligible for the earned income tax credit.

Mr. SHAYS. Nobody will be taking any earned income tax away. They will not get an increase.

Mr. GENE GREEN of Texas. They will. Under this bill, there will be less earned income tax credit.

Mr. SHAYS. Mr. Chairman, reclaiming my time, I just think the numbers you all are using are bogus. I am fed up with it. These are not accurate numbers. You are not disclosing that it is to be increased. There is no cut to a constituent in my district because of the earned income tax credit. It has got to end.

Mr. CLAY. Mr. Chairman, I yield 1⅓ minutes to the gentleman from New York [Mr. OWENS].

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, I rise in strong opposition to two provisions in this mean-spirited attack on educational opportunity and on the lowest paid workers in America, the people who are covered by the Service Contract Act. There is no need to go after the workers in the Service Contract Act. it does not have anything to do with increasing revenues for this country. It will not cost us anything in tax expenditures; however, it may cost a great deal in food stamps and unemployment insurance if we end the service contract and lower the wages of the lowest paid workers in the country.

Wage determinations under the Service Contract Act in 30 cities come out to $6.07 per hour for janitors, $5.42 for food service workers, $5.59 for guards. Why are we going after these lowest paid workers in America? Why is the mean-spirited attack on workers continuing through the Reconciliation Act? It does not save any money. It will cost us money in the end.

We will also lose money by not investing more in education in America. Educational opportunity is an investment. It is not an expenditure. We need to widen the amount of money available in discretionary programs so that we can restore many of the cuts made in education. We want to restore the cuts in title I. We want to restore the summer youth employment grant. We also want to make certain that the job training programs which are defunded have money restored. If we extend this attempt to balance the budget over a 10-year period instead of a 7-year period, we can gain back many of the dollars that are needed to restore these educational cuts in the budget.

Mr. Chairman, I rise in strong opposition to this mean-spirited attack on educational opportunity in America and on the lowest paid workers in America.

Education has become a matter of individual economic survival in this country. You cannot succeed, you cannot earn enough to support a family, you cannot achieve the American dream, without postsecondary education. Americans understand this and they now make enormous sacrifices to obtain access to the halls of higher education, working extra hours, taking second jobs, scrimping, saving, and, inevitably, assume crushing debt burdens.

Instead of honoring the determination and the responsibility of these Americans, today this House is about to make their struggle that much harder, piling on aid cuts of more than $10 billion. Many families will not be able to afford cuts of these magnitude. More importantly, no family should be asked to shoulder this additional burden. There is no high purpose behind all this; the only reason we are savaging these programs is to free up money for the Republican tax cut payoff.

This bill also wages a parallel assault on elementary and secondary education and job training, threatening both the availability and the quality of educational and training opportunities for millions of American children. The dramatic reduction in permissible discretionary spending that would be imposed by this bill between now and the year 2002 will savage Federal assistance for elementary and secondary education. The Labor-HHS-Education appropriations legislation passed by the House earlier this year offers just a preview of the carnage to come.

The title I program, which supports tutoring and remedial educational services for low-income children and others who are falling behind in school, is cut by $1.1 billion, or 17 percent, throwing 1.1 million educationally disadvantaged students out of the program. The Safe and Drug-Free School Program, which provides support to nearly every school district in the country for drug abuse education programming and antiviolence activities, is slashed by 60 percent, eliminating services to 23 million schoolchildren. Cuts in funding for the Adult Education Act will deny services to 125,000 illiterate adults next year. Cuts in Head Start will toss nearly 50,000 preschool children out of that acclaimed program. Support for training for disadvantaged youth is cut in half and the entire summer youth employment program is eliminated, denying 600,000 young people job and education opportunities next summer.

These draconian reductions, I emphasize, are just the beginning; this is just the first year, the first cinching of the garotte on educational funding imposed by this legislation. More than $36 billion will be bled from educational programs over the next 7 years.

The debate today is not about deficit reduction and balancing the budget. The issue is how we go about reaching the balanced budget and what programs should be given priority for funding. Earlier this year, the Congressional Black Caucus put forward a budget proposal which, like the Republican plan, balanced the budget over 7 years. We did not cut Federal support for education by one dime. Indeed, we nearly doubled spending for education, training, and other human investment programs. We expanded and improved educational opportunity in America and, at the same time, eliminated the deficit, balanced the Federal budget, and provided a tax cut to working families as well. It is not necessary to attack education in order to achieve the professed goals of the majority.

But attack education is what this legislation does, virtually and violently. Key Federal investments in education which make the American dream possible for all of our citizens are blotted out. Key Federal investments in education which make the American dream possible for all our citizens are blotted out. Key Federal investments in education which make our economy thrive are extinguished. This legislation does not provide for the future of our children and youth—it destroys it.

I oppose the repeal of the Service Contract Act because it is nothing more than an assault on the standard of living of some of the hardest working men and women in our Nation; and it is an assault which will deprive workers and their families of a fair wage, health insurance, and pension protections for their senior years.

The Service Contract Act has enjoyed bipartisan support since it was enacted in 1965 and amended in 1972. The law has been virtually without controversy because it protects some of our most exploited and victimized workers in our Nation. Today, 30 years later, the Service Contract Act continues to protect almost 1 million workers—most of whom are minority and female workers in low-wage occupations. For example, service contract workers include cooks, bakers, cashiers, mess attendants, cleaners, custodians, janitors, housekeeping aides, window washers, trash collectors, mechanics, clerks, small equipment mechanics, cafeteria workers, food preparation workers, machinery and furniture repair workers, landscapers, keypunchers, and laundry workers, to name but a few.

The single largest occupation covered by the Service Contract Act is janitor, porter, cleaner which, in 1986, accounted for 18 percent of the total SCA-covered work force. The other largest categories are housekeeping aid, security guard, mess attendant, and food service worker. These occupations are ones in which the employment of women, African-Americans, and Hispanics predominates. According to the Bureau of Labor Statistics of all employed janitors, porters, and cleaners, 34 percent are women, 24 percent are African-American, and 11 percent are Hispanic. In housekeeping occupations—performed outside private homes—84 percent of such workers are women, 31 percent are African-Americans, and 13 percent are Hispanic. The food preparation and service occupations also consist of high proportions of women and minorities. Fifty-seven percent of these jobs are held by women; 12 percent are held by African-Americans, and 13 percent are held by Hispanic workers. Thus, the repeal of the Service Contract Act will injure, in particular, low-wage workers and primarily women, African-Americans, and Hispanic workers.

Repeal of the SCA would shred the safety net, as modest as it is, for these service contract workers, many of whom earn a very modest wage even with the Service Contract Act. For example, janitors in Atlanta, GA, receive $12,730 under the Service Contract Act. In St. Louis, MO, janitors make $12,860 annually and in a high-wage area like Boston, janitors make $17,200 annually. When the Federal poverty line of $14,754 for a family of four is considered, it is clear that even with the protections of the Service Contract Act, workers still need the protection of the act.

One of the myths about the Service Contract Act is that it no longer protects low-wage employees, but rather protects high technology professional and managerial employees. But the act contains numerous exemptions for many types of service contracts under which so-called high technology, high wage workers are employed. There are three major categories of highly skilled and highly compensated workers who Congress specifically excluded from the Service Contract Act when it amended the law in 1976 including professional employees, executive employees, and administrative employees. Another major category of high technology workers who have been exempted from coverage includes technicians who repair and maintain computers, scientific and medical equipment, and office and business machines when those services are provided by the manufacturer.

The wage determinations issued under the Service Contract Act are not inflationary. In 30 cities, SCA wages averaged $6.07 for janitors, $5.42 for food service workers, and $5.59 for guards. Even in a high-cost metropolitan area such as Washington, DC, the prevailing wage for SCA-covered janitors is $6.35 per hour—plus $.91 per hour in benefit contributions. In Boston, janitors receive $8.60 per hour; in Memphis, janitors receive $5.60 per hour; and in Salt Lake City, janitors receive $5.85 per hour. Thus, despite the act's protection, even those earnings are quite modest. Without SCA coverage, the work force of low-skilled, predominantly minority and female workers, would quickly drop to $4.25 per hour under the pressure of the procurement system.

In summary, the Service Contract Act has allowed workers to earn a living wage. It has enabled millions of workers to enjoy the benefits of fair wages and fringe benefits such as health insurance and a pension typically unavailable in this industry. Also, many service contractors on Federal service contract jobs maintain jointly administered labor-management training programs. Many workers have participated in these training programs and have been allowed to improve their job skills and move up the economic ladder. Improved job skills for many who might otherwise have little or no job training has benefited all service contract workers and it also has benefited their employers and the Federal Government—the ultimate consumer of their services. It is for all these reasons that I oppose repeal of the Service Contract Act.

Mr. CLAY. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. LOFGREN].

(Ms. LOFGREN asked and was given permission to revise and extend her remarks.)

Ms. LOFGREN. Mr. Chairman, on behalf of the seniors, working families and especially children in my district, I strongly oppose this bill.

Mr. Chairman, I rise in strong opposition to H.R. 2491, the Budget Reconciliation Act. This bill ignores the priorities of the American people by its cavalier attitude toward children and working families. One key purpose of this bill is to provide tax breaks for the wealthy; most

Americans will get nothing back or even pay more under this so-called tax break plan.

My district is made up of hard-working American families and they have sent me a loud and clear message: they want thoughtful and measured cuts in our Government, coupled with strong safeguards for our elderly, our families, and our children. This bill ignores that message.

Mr. Chairman, almost 8,000 children in my district will lose their health coverage under this bill, and thousands of working families will suffer from the cuts in student loans and higher taxes. My district, Santa Clara County, will lose $564.6 million in Medicaid funding over 7 years and health care officials warn that emergency clinics, local clinics, public hospitals, nursing homes and private hospitals could be forced to close their doors. These measures aren't part of the message I receive from my district.

This bill also cuts into some of the most important tax provisions that benefit my district. I know that many of my colleagues are dismayed that the Earned Income Tax Credit, which provides a true incentive to people trying to stay off welfare and into the work force, would be a target of this Congress. Scaling this back really amounts to a tax increase for low-wage-earning Americans.

I am equally disappointed that the Majority has seen fit to eliminate the Low-Income Housing Tax Credit. In 1993, two-out-of-three of my colleagues on the other side of the aisle cosponsored legislation in 1993 to make this credit permanent. It made sense in 1993 and it makes sense now. The city of San Jose has called this tax provision ''the single most important source of funding for the development of affordable housing.'' Since 1991, 1744 affordable units have been developed in San Jose, with a total tax credit of $100 million and a total economic impact of a quarter of a billion dollars. Mr. Chairman, this credit, like the Earned Income Tax Credit, helps people toward self-sufficiency, spurs local economies, provides jobs for local workers and provides affordable housing for struggling families. Under this same bill, 7,685 children in California will have to go without basic housing. We need housing for these children and their families. Why are we sacrificing effective credits in favor of tax breaks for those who make hundreds of thousands of dollars a year?

But this bill is about more than tax credits and tax breaks, Mr. Chairman. It's really about our children themselves. Kicked off Medicaid, deprived of school lunches, and inadequately protected from hunger, homelessness and abuse by the provisions of this bill, children are going to suffer. Did you know that over 50 percent of all Medicaid recipients are children? These children are the real losers in this bill. And to top it all off, this reconciliation bill is going to cap welfare assistance, meaning even less money will be available for these needy children.

My colleagues, it is clear that the current majority lacks interest in struggling families. When this budget takes effect, working America will be squeezed even more. What will this mean? More working families unable to afford health care, housing, education, child-care and even food; more problems with unemployment, homelessness and more stress in our local communities. Do we want this? Is this what the American people really asked for in November? I know that the people who elected me last November certainly did not.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GOODLING], the distinguished chairman of the Committee on Economic and Educational Opportunities.

Mr. GOODLING. Mr. Chairman, I would like to first of all point out what we do not do, and then I would like to point out very quickly what we do do.

First of all, we do not eliminate inschool interest subsidies even though Alice Rivlin suggested to the President that might be the way to go. We do not eliminate the 6-month grace period before students begin repaying their loans. We do not change the eligibility or the access to student loans. We do not increase loan origination fees paid by students. We do not increase the interest rate students pay on their loans nor do we take away the reduction that they are due to get in 1998.

Let me tell my colleagues what we do do. The number of student loans issued will be increased from 6.6 million this year to 7.1 million next year. The volume of student loans increases 50 percent, rising from $24 billion this year to $36 billion.

The primary impact of what we have done really falls strictly with the loan industry who are going to come up with over $5 billion. Pell grants under the House appropriation will be the maximum they have been.

The supplemental education opportunity grants will continue at the same level. The college work-study will continue at the same level. The Perkins loan will continue at the same level. The minority programs, TRIO programs which benefited minorities and disadvantaged will continue at the same level. The historically black colleges, the undergraduate and graduate college programs are fully funded at the same level.

Those are the things we are doing. At the same time, we are going to bring down interest rates so that those people paying on these loans will get a tremendous reduction by the time we get to a balanced budget. That is not my word. That is the word of most economists, including Mr. Greenspan.

So, what we have done has done nothing to hurt students. It gives them every opportunity they have ever had to get loans, to get more loans, to get higher Pell grants. We are helping students, and at the same time we are going to help them in the future because we are not going to mortgage their future.

Mr. CLAY. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BECERRA].

(Mr. BECERRA asked and was given permission to revise and extend his remarks.)

Mr. BECERRA. Mr. Chairman, I thank the gentleman for yielding time to me.

Take a look at this bill. The Republican bill increases taxes for 14 million working families at the same time it allows multinational corporations that make billions in profits to pay no taxes. The Republican bill taxes seniors through the $270 billion cut in Medicare and the $182 billion cut in Medicaid, and at the same time we are giving the Pentagon $8- to $10 billion more than the Pentagon even requested. Can it get worse? Yes. If you have students in your family and they want to go to college, get ready because they are going to have to pay billions more in this Nation to go to college, up to perhaps $5,000 more for that student to go through college. That is a tax because it would not be that way without this bill.

So who is helped? Well, this tax cut for the wealthy and tax cut for corporations helps them. As we hear now from Speaker GINGRICH and the Senate majority leader on the Senate side saying, they never wanted Medicare to begin with. It is becoming clear who this is benefiting. It is not those who work and pay taxes. It is for those who just invest and get money.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from the State of Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Chairman, when the gentleman on the other side will stand and say that someone in my district is going to pay higher taxes because of this reconciliation bill, he is mistaken. Anyone who claims that EITC reform is a tax increase is either misstating the situation, being deceived or simply does not understand how the program works.

The fact is that 85 percent of current EITC spending is considered outlays or direct government payments just like AFDC. Six out of seven dollars being spent on EITC is above and beyond, as it is returned to that taxpayer, is above and beyond the aggregate taxes paid. Less of an increase is not a cut. It is not a cut in Medicare spending, and it is not a cut in the EITC spending.

In addition, in this reconciliation bill encompassed is tax relief for millions of hard-working Americans in the $500-per-child tax credit. The family making $30,000 with two children sees their taxes cut in half.

A family making $25,000 a year with two children sees their tax eliminated. Every hard-working American family in this country will be better off because of this reconciliation bill. That is the fact.

For those who listened yesterday on this floor, I had a colloquy with members of the Committee on Ways and Means, with leadership Members in this body who made a flat commitment that we would work to ensure that all American families, all working American families will be better off under this program of tax relief than they were last year. That is a commitment and that is the truth. All of this bogus talk and bogus figures about tax increases is simply misrepresenting the reality of this reconciliation bill.

Mr. CLAY. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, for those of you who plan to vote for this bill today, you should do so fully aware of the consequences.

The block grant and funding reductions in the Medicaid Program in this bill will have devastating effects on disabled children across the country.

Mr. Chairman, in 1986, this Congress made changes to the Individuals with Disabilities Act [IDEA] to help States establish and operate comprehensive early intervention services for infants and toddlers with disabilities. In 1993, this program helped 154,000 families overcome the challenges of meeting the needs of disabled infant and toddlers. This is a program of proven success and has solid bipartisan support. Why? Because it works. Talk to your States. They will tell you that this program saves money because early intervention means that fewer services are needed in the future. This means reduced reliance on medical services and families avoid the expensive tragedy of putting their children in institutions.

The infants and toddlers program has been successful because it is conducted through a partnership with the Medicaid Program. In some States over 50 percent of funding comes from Medicaid. The city of Chicago estimates that they will lose $45 million annually as a result of this change to the Medicaid Program.

If you vote for this bill, know that you will put this progress at risk and that it will devastate the dreams of disabled children and their families.

Many families, who are both poor and middle class, receive much-needed support from Medicaid for their disabled children. What kind of help do they receive? Wheelchairs, equipment used to communicate and the kind of services that make it possible for parents to keep their children at home. Voting for this bill means running the risk of forcing parents to make absolutely cruel choices about the most important thing in their lives—their children.

Do you think these parents would give this up to get a $500 tax cut? Of course not. Vote ''no'' on this bill.

Mr. STOKES. Mr. Chairman, I rise in strong opposition to the majority's budget proposal. Is there no end to the Republicans' attack on the most vulnerable in our society? They have already dismantled Medicare forcing seniors to pay more for less health care coverage. Now, the Republicans are going after those who—truly cannot—defend themselves, those who—entrust us with their future—the Nation's children.

The Republican budget: Takes away health care services from over 4 million needy children; takes away Head Start from 180,000 disadvantaged children; takes away basic assistance in reading and math from over 1 million disadvantaged children; and threatens the availability of school lunches and other nutritious meals for 32 million hungry children.

I know the children of my district and those across the State of Ohio will be hurt by the drastic cuts in health care, education, housing, and child protections alone. Over 150,000 children in Ohio will lose Medicaid coverage, and nearly 40,000 will be denied disability assistance. Over 600,000 children in Ohio will suffer from the drastic cuts in nutrition assistance. Nearly 20,000 children in Ohio will be denied child care.

In addition, assistance to over 180,000 children in Ohio is cut simply because their paternity has not been established. Over 8,000 children in Ohio will no longer have the benefits of Head Start. Over 32,000 children in Ohio will be denied the basic assistance in reading and math that they need. Summer jobs for nearly 20,000 Ohio youth who need and want to work will be eliminated. The families of over 150,000 children in Ohio will be forced to pay higher rents, when the median income or their family is only $6,800. To make matters worse, the families of over 700,000 children in Ohio will have their taxes increased by the Republican budget.

Mr. Speaker, what could these poor—little—innocent children in Ohio and across the Nation have done to the Republicans to warrant such a coldhearted attack? I urge all my colleagues to throw off these shackles of oppression being imposed by the Republicans on the American people and vote ''no'' on this bill.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from the State of Pennsylvania [Mr. CLINGER].

(Mr. CLINGER asked and was given permission to revise and extend his remarks.)

Mr. CLINGER. Mr. Chairman, I want to point out that the only constant that we have in this world is the fact of change. We have seen an enormous change in this country. Science and technology have whisked changes by that are blinding, at a frightening rate of speed. Nevertheless, progress, opportunity, and a hope for a better tomorrow have made most of us willing participants in this ongoing change.

As we have adopted changing times, so have nearly all of society's major institutions: the American family, large corporations, small businesses, communities, every institution, Mr. Chairman, except one, the Federal Government.

The Federal Government has continued to grow and centralize power and decisionmaking authority in Washington, DC, without regard to cost or efficiency. So, Mr. Chairman, in this era of downsizing, when everyone else, everyone else is asked to do more with less, the Federal Government has continued to swell requiring a greater and greater share of American family income and business earnings.

For too long, Congress and the White House have turned a blind eye to the dire consequences of deficit spending and the mounting national debt. In the short-term, we have been a dead weight around the neck of our economy, crowding out private investments, stifling job creation and limiting economic growth and opportunity. But even worse, Mr. Chairman, in the long run, they have compromised the standard of living of our children and grandchildren.

Mr. Chairman, today that ends. Today the House is going to adopt the first balanced budget in a generation. Today we will finally stop the hemorrhaging of red ink and get our fiscal house in order.

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So I am proud to rise in support of this budget because it is an honest measure that does not rely on smoke and mirrors, rosy economic scenarios, and other phony accounting gimmicks.

In a moment I am going to hear, I am sure, how many of my constituents are likely to be, possibly going to be, disadvantaged by the passage of this budget, but what we will not hear from the other side are the hundreds of thousands of my constituents, indeed all of my constituents, who will be disadvantaged seriously if we fail to get this budget in balance by the year 2002, and I rise in strong support of this measure.

Over the past several decades our world has changed dramatically. Empires have crumbled, and infant nations have been born. Diseases have been eradicated by modern medicine, while newer, deadlier ones have emerged.

In some areas such as science and technology, the change has occurred at a blinding pace. What is invented today may be obsolete tomorrow.

Swift air travel, world-wide television coverage, and instance communications have made our planet a relatively small place. Laptop computers, once the size of living rooms, have empowered individuals by bringing a wealth of information and knowledge to our fingertips.

Keeping pace with the present, never mind catching up to the future, has made our lives more complex, more exhilarating, and more exhausting.

Nevertheless, progress, opportunity, and hope for a better tomorrow have made most of us willing participants in this ongoing change. And as we have adapted to these changing times, so have nearly all of our society's major institutions.

The American family has undergone a complete metamorphosis. Families supported by one breadwinner and one homemaker are nearly obsolete and have been replaced by single parent families or double-income families with latch-key kids.

Large corporations have become smaller and flatter to compete in the global marketplace. As we've moved from the industrial age into the information age, the more successful businesses have learned to integrate workers and technology, and replace conflict with cooperation to improve productivity.

Even the most conservative of institutions, religion, has taken advantage of technological advancements to reach followers and spread their word.

But, during this whirlwind of change, one major institution has managed to resist it. The Federal Government over the past 30 years has continued to grow and centralize power and decisionmaking authority in Washington, DC, without regard to cost or efficiency. Somehow, the Federal Government has been able to inoculate itself against the constant changes that are reshaping our world and our lives.

Its monolithic bureaucracies and rigid hierarchies have proven to be anathema to creativity, innovation, and experiment. Perverse incentives and debilitating inefficiencies have rendered the Federal Government incapable of dealing with the Nation's most vexing problems. Though Government once helped people overcome obstacles, it now has become an obstacle itself.

In this era of downsizing when everyone is asked to do more with less, the Federal Government has continued to swell, requiring a greater and greater share of American family income and business earnings. To the dismay of all Americans, we seem to be feeding more money to Washington, but getting less back in terms of results.

The Federal Government's inability to adapt to changes in the modern world coupled with Congress' addiction to spending have resulted in an overwhelming fiscal mess that should make us blush with shame or turn red with anger.

Each year since 1969, the Federal Government has failed to live within its means, spending more money than it collects in taxes and borrowing to make up the difference. For 26 straight years, we have piled more and more onto our national debt which now stands at nearly $5 trillion.

For too long, Congress and the White House have turned a blind eye to the dire consequences of these irresponsible spending practices. In the short term, deficit spending and the mounting National debt have been a dead weight around the neck of our economy, crowding out private investment, stifling job creation, and limiting economic growth and opportunity.

But even worse, in the long run, deficit spending compromises the standard of living of our children and grandchildren. We are risking the prosperity of future generations in order to consume more today.

Well, today, Mr. Speaker, that ends. Today, the House will adopt the first balanced budget in a generation. Today, we finally will stop the hemorrhaging of red ink and get our fiscal house in order.

I am proud to rise in support of H.R. 2491, the Seven-Year Balanced Budget Reconciliation Act because it is an honest, credible measure that does not play the popular Washington game of relying on smoke and mirrors, rosy economic scenarios, and other phony accounting gimmicks to balance the budget. Rather, it makes the tough decisions that are necessary to really and truly get to a balanced budget.

For instance, it saves billions by tackling the difficult issue of welfare dependency. Not only does it overhaul our welfare system to encourage work and self-sufficiency, it also attacks corporate welfare by closing $30 billion in corporate tax loopholes.

The measure also achieves savings by revamping Federal farm subsidy programs so that American farmers can move away from dependence on Government support while remaining competitive in the global market and continuing to feed the world.

Some budget savings in this budget are not easy, but necessary if we are going to make the Federal Government smaller, more cost effective, and more responsible to the taxpayer. The Government Reform and Oversight Committee, of which I am chairman, crafted the section dismantling the bloated, misguided Department of Commerce. It will save billions and serve as a blueprint for future downsizing efforts.

Many provisions in the budget simply make sense. For 70 years, the Federal Government has maintained a helium reserve for national security purposes. Today, however, the U.S. military uses B–2 bombers and F–16 fighters to defend the Nation, not blimps. Privatizing the helium reserve and saving millions of dollars is just common sense.

Other provisions are long overdue. As chairman of the Government Reform and Oversight Committee, I worked to end special pension treatment for Members of Congress and their staff. The American people have been screaming for congressional pension reform, and this budget delivers it.

Another reason this budget package has earned my support is because it doesn't rely on the tried-and-failed method of deficit reduction: raising taxes. We can't tax our way out of debt or into prosperity, and history has borne that out. This time, instead of hitting the taxpayers up for more money, we have struck at the core problem: Congress' addiction to spending.

During the course of debate, we have heard concerns and criticisms about various line-item cuts and programmatic changes in the budget, however, we must not lose sight of the fact that balancing the budget is a necessity, not a luxury. In my mind, beside rescuing the standard of living of future generations, balancing the Government's books will have two vital impacts on our Nation.

First, balancing the budget will significantly boost our economy by reducing long-term interest rates by 2 percent. Families will pay less for mortgages, student loans, care loans and credit card payments. Lower interest rates will help businesses to expand, create jobs, and improve their international competitiveness. A balanced budget will create 6.1 million additional jobs and increase per capita income 16.1 percent over the next 10 years.

No Federal Government program can provide the American people as much in benefits that a balanced budget can.

Second, and maybe even more important, balancing the budget may restore the American public's confidence in its Government. The Founding Fathers instilled in us a health dose of skepticism for government, but this has festered into a deep distrust and cynicism about government.

Some pundits and political scientists attribute these feelings to the Vietnam war and Watergate. I disagree. When I talk to people back home who are disgusted with Washington, they don't mention Vietnam or Watergate, they point to what's going on today. They don't understand how their leaders can so poorly manage the nation's finances.

The public recognizes that many of the problems facing our Nation—the economy, cultural and moral decay, foreign conflicts—can be influenced, but not completely controlled by the President and Congress. But they know that managing the Federal Government's fiscal affairs is a direct function of Congress and the White House, and we have been derelict in our duties for too long.

For these people, balancing the budget is not just about hope, opportunity, and prosperity, its about cleaning up the mess in Washington.

As elected officials responsible for governing the Nation, we should not—indeed, we cannot—underestimate the power of regaining the American people's trust and confidence. After all, balancing the budget is only the beginning, not the final product of the task at hand.

I remind my colleagues that balancing the budget and reducing the size of Government is only half of what we must do. Government still has vital functions and can improve the lives of people in many circumstances. Our obligation is to transform our current 1930's style Government into a 21st century Government capable of coping with the challenges confronting modern society.

Mr. Speaker, once again, I am proud to vote for this budget. Though I don't agree with every detail, I support this measure because it will balance the budget while still allowing spending to increase at a responsible rate; it will save Medicare for current and future beneficiaries; it will provide tax relief to middle class American families; and it will invigorate our economy and help create jobs.

Mr. SABO. Mr. Chairman, I yield 5 seconds to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Chairman, in answer to my chairman of the Committee on Government Reform and Oversight, 28,588 constituents lose——

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLAY. Mr. Chairman, I yield the balance of my time to the gentleman from Montana [Mr. WILLIAMS].

The CHAIRMAN. The gentleman from Montana [Mr. WILLIAMS] is recognized for 2 minutes.

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman for yielding this time to me.

Today America departs from a long, unbroken tradition of bipartisan support for America's students and for the schools they attend. From college grants to Head Start, Mr. Chairman, Republican, as well as Democrat, Presidents and Congresses have been in agreement until today. Chapter 1, arts education, drug-free schools, just name it, Goals 2000, was the product of a Republican President, former President Bush. But today the far right, the radical right, is in full throat on the Republican side, and so today for the first time in the history of this Nation the public's demand of bipartisan support for education is being broken.

Mr. Chairman, the Republican proposal today cuts student loans for the first time in history by $10 billion, and these proposals never had a single day of hearing, never had one single public comment from that public that insists on bipartisanism. There will be significant increases in the cost of college for working families and their children, and now we are hitting them with a big price increase for college, an increased price tag for college, of 5 billion with a ''b,'' $5 billion.

What do we know about this proposal? First, it will, count on it, it will force students to pay approximately $4 billion more for the student loans they receive, and for their parents, they will be able to borrow less than they can

now borrow, and it will cost America's parents $1 billion more than they pay today to borrow that money.

The sad thing, my colleagues, is that today, because of the radical right, we have abandoned a long, proud American tradition of bipartisan support for our students and for their schools.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GOODLING], the chairman of the Committee on Economic and Educational Opportunities.

Mr. GOODLING. Mr. Chairman, I thank the gentleman from Ohio for yielding this time to me.

What I have been trying to say in committee for a long time is that we better talk about excellence and quality rather than access. Let me tell my colleagues that during the last 5 years we have increased, we have increased, spending on Head Start 180 percent. How many students do my colleagues think we have increased during that time? Thirty-nine percent.

Something is not right. The students are not getting the help, the children are not getting the help. Obviously, the administrators must be. If we increase spending 180 percent and we only increase participation by 39 percent, we are not helping the kind of people we are supposed to be helping.

So, Mr. Chairman, I do not take a back seat because I made some suggestions in relationship to chapter 1 and relationship to Head Start because we must insist on quality. We cannot just talk about access because we are not helping the people we set out to try to help.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Chairman, today we finally have an opportunity to vote against the Gingrich agenda, to repudiate a document that in chapter and verse, in precise detail, dictates the single most egregious redistribution of wealth in our history. Contained in this budget bill are provisions that give the wealthiest families in this country, as this chart amply shows, the top 1 percent, a $14,000 tax break. Speaker GINGRICH calls this tapestry of tax breaks the crown jewel of the Republican agenda, but, sad to say, it is really a crown of thorns. As this chart shows once again, families earning less than $50,000 a year, most middle-class families, end up footing the bill. They will lose nearly $650 a year through a combination of tax increases and benefit cuts.

Mr. Chairman, the Gingrich bill trashes the tax credit for low-income working families; 4.3 million families would lose the credit altogether, and another 14.2 million families would actually see their taxes increase.

The children's tax credit; jewel or thorn? My colleagues, be the judge. Forty-six percent of the children in this country will not get a single dime of the $500 tax credit.

The president of Citizens for Tax Justice, a nonpartisan organization, called the tax provisions of this bill a hoax. He is right, and the American people have a right to feel wronged. The American people should not be martyr to a cause they do not agree with and do not support.

I urge my colleagues in this perhaps-most-significant vote in the years I have been in this Congress to vote against what is a massive, unprecedented transfer of wealth that only makes worse class warfare in this country.

Mr. KASICH. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Florida [Mrs. FOWLER].

(Mrs. FOWLER asked and was given permission to revise and extend her remarks.)

Mrs. FOWLER. Mr. Chairman, I rise in extreme support of this measure that gets us on the road to improved fiscal health for our Nation.

Mr. Chairman, the vote we are about to take marks a historic change in the way this Nation conducts its business. It shows that this Congress is taking seriously its responsibility to rein in excess spending and achieve a balanced budget—something our Nation has not enjoyed since 1969. This reconciliation measure will help restore the fiscal health of our Nation and provide a brighter future for our children, who will otherwise be saddled with the consequences of our inaction.

In addition, this bill includes $245 billion in tax reductions over the next 7 years. It will allow our citizens to keep more of their own hard-earned money. By returning these resources to our Nation's families and creating the means for greater investment in private enterprise and economic growth, we will help to meet the needs of all Americans.

I urge my colleagues to support this historic bill.

Mr. SABO. Mr. Chairman, I yield 15 seconds to the gentleman from Texas [Mr. GENE GREEN].

Mr. GENE GREEN of Texas. Mr. Chairman, conservative estimates of the tax increases for earned income tax credit constituents will increase. I am opposed to the bill because my taxpayers will pay more, but do not take my word for it. Take Jack Kemp, who last week said:

> I hope you guys do not go too far on removing the EITC because that is a tax increase on low income workers and the poor which is unconscionable at this time . . .

Mr. SABO. Mr. Chairman, I ask unanimous consent that following the statement of the gentleman from Utah [Mr. ORTON] that the gentleman from Texas [Mr. DE LA GARZA], the ranking Democrat on the Committee on Agriculture, be permitted to control the next 15 minutes of time on our side, and that the gentleman from Michigan [Mr. DINGELL], the ranking member of the Committee on Commerce, be permitted to control the balance of the time remaining on our side, and that each have the authority to yield to other members.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SABO. Mr. Chairman, I yield 1 minute 45 seconds to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Chairman, both of the bills that are under consideration, the Republican reconciliation bill and the coalition bill, will balance on the same date in 2002 if the projections are accurate. Both use CBO scoring, but what happens if the projections are not accurate? That is the problem we have had in the past. It is easy to project a balanced budget. We need enforcement mechanisms to be sure it is there.

The budget under consideration does two things which I support. It continues the current practice of enforceable discretionary caps and extends the pay-as-you-go provisions, but that is it. The coalition budget does additional steps, and it places the deficit targets in law and requires that, if we do not meet these targets, the President come back with a recommendation of how to meet those targets, and requires the Congress to vote, and if the Congress cannot determine how to meet those targets, would place into effect sequestration. It also puts into place tools to aid us in cutting spending like applying the line-item veto to 1996 spending bills. It also applies the lockbox provision to the appropriation cuts. It also would extend, so that we have a more fair representation and more accurate projections, it would extend projecting and scoring to 10 years, would also take emergency spending and put it on budget, requiring us to create an emergency account which we fund and then spend out of that rather than waiving the budget to spend on emergencies, and would also eliminate baseline budgeting.

Mr. Chairman, all of these enforcement mechanisms I believe have bipartisan support. That is the reason for voting for the coalition budget, and, if my colleagues cannot see their way fit to voting for the coalition budget, at least let us put these things in in conference.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the very distinguished gentleman from Delaware [Mr. CASTLE], the former Governor.

Mr. CASTLE. Mr. Chairman, I rise in strong support of the 7 year Balanced Budget Act. My commitment to balancing the budget is based on personal experience. I have lived through disastrous times in my own State when we did not balance our State budget and I have seen the tremendous economic recovery that occurred when the State took the tough steps necessary to balance its budget.

In the 1970s, the State of Delaware was an economic basket case. We had the highest personal income taxes in the country—19.8 percent—but the State could still not balance its budget because it was spending too much; businesses were leaving the State as fast as they could get out. In short, Delaware's State government operated the way the Federal Government operates today.

Delaware finally decided to face the music, we passed a balanced budget amendment and began to get our economic house in order. Since that time, Delaware has been one

of the economic showplaces of the Nation. We have balanced our budget 19 straight times, reduced taxes 6 times; we have created more jobs on a percentage basis than virtually any other State; reduced poverty more than any other State during the 1980's. This would not have happened if we had not balanced our budget.

It's time for the Federal Government to do this for the entire Nation. Mr. Chairman, I know from my experience as a Governor, balancing a budget is not easy. Tough decisions have to be made. This legislation makes those decisions in a fair manner. I have not agreed with every provision and have worked hard to modify some of them.

I strongly support the inclusion of the Castle-Upton-Martini deficit reduction certification and monitoring provision in the bill. This requires a process of that will ensure that we stay on path to a balanced budget each year until 2002. I also appreciate the efforts that have been made to improve the Medicaid funding formula to ensure that all States are treated fairly in the necessary effort to reform the Medicaid System.

Whatever particular differences we have with specific provisions of this bill, we can not and should not overlook the larger and most important goal of balancing the budget.

Simply put, because of its deficit spending, the Federal Government is eating up money that would normally go to businesses and individuals. This year the Government will pay $233 billion in interest on the debt, more than the $160 billion deficit for this year. If we don't change we will be paying $340 billion in interest by 2002.

If the Government stops depleting the pool of money available for savings, it would lower business's costs of borrowing and enable them to invest in the equipment that makes their employees more productive and increases their paychecks. Earlier this year, a private economist estimated that balancing the budget would raise our national 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. The economy would create 2.4 million more jobs by 2005 than if we do nothing about the deficit.

The Congressional Budget Office has estimated that enactment of balanced budget legislation will result in lower interest rates that will save the Government over $170 billion in interest payments by 2002.

Tearing up Uncle Sam's credit card allows the private sector to grow and affects us all from lower home mortgages to more business expansion.

Balancing the budget is good for us now and it is great for our kids and the Nation's future. I urge passage of the reconciliation bill.

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, and my colleagues, I rise in opposition to the main Gingrich Republican substitute amendment and in favor of what we call the coalition proposal that the gentleman from Texas [Mr. STENHOLM] and others have worked out.

Balancing the budget is not an issue everyone is for, reducing the deficit is not an issue everyone is for, and our section in agriculture though bears a tremendous burden, more than the norm. We have always provided in the past 10 years over $50 billion. If every other committee had done what the Committee on Agriculture has done, we would not be worrying here about reducing the budget or balancing the budget. We have done it. We have done our fair share. But in this case the process I must object to. We have not had a hearing on the freedom to farm, we have not had any discussion. We have had votes in the committee where everything failed. Basically the freedom to farm that is in this proposal has not and does not have the approval of the Committee on Agriculture.

Mr. Chairman, I strongly suggest that it might be well for us in the agriculture sector, in the areas where we impact negatively on Medicare, on Medicaid, that this is not the proper procedure, and I had to go to the Committee on Rules to say, ''We have not had the opportunity to handle this. I hope that you do something for us.'' Unfortunately they did not.

Mr. Chairman, I rise in strong opposition to H.R. 2491, and in support of the Democratic substitute.

Mr. Chairman, the process of the development of this reconciliation bill has brought us a season of surprises:

First, in a year when the No. 1 fiscal priority of the American people is to balance the budget, the Gingrich Republicans propose a $245 billion tax cut:

Second, when a primary concern for many Americans revolves around providing health care for their elderly parents, Republicans cut Medicare by $270 billion; and

Finally—because of Republican conflicts over their own priorities—national farm policy for the next 7 years has been written in the House Committee on Rules.

Mr. Chairman, the 1995 reconciliation process has turned into the sole forum for establishing national farm policy for the next 7 years. In past years, we have had the opportunity to prepare comprehensive farm policy in a deliberative, all-inclusive manner. When we've been required to comply with budget reconciliation instructions, the House Agriculture Committee has complied to the tune of $50 billion in savings from 1981 through 1993.

The confusion this year of the policymaking process with the deficit elimination process has led to paralysis in the Agriculture Committee. For the first time ever, the House Agriculture Committee has failed to meet its budget reconciliation obligations.

As a result—Mr. Chairman—Speaker GINGRICH and his Rules Committee were given the task of writing farm policy that will take us through 2002.

I do want to commend Chairman ROBERTS for his efforts this year. He was placed in an impossible position. The Gingrich Republicans are requiring a 25 percent reduction in agricultural spending in order to provide a $245 billion tax cut. Mr. ROBERTS fought hard earlier this year for that tax cut to be scaled back, but to no avail. We agree that the tax cut is inappropriate and that it leads to farm program cuts so deep that the viability of our Nation's food production system is threatened.

Mr. Chairman, Americans are the best fed people in the world. They have a stable and abundant supply of nutritious food, and pay a lower percent of their disposal income for food than any other nation in the industrialized world. I like to think that the House Agriculture Committee—on a bipartisan basis and in spite of what editorial writers say—has played a constructive role in that success story.

Nevertheless, Speaker GINGRICH, the Republican leader, and the Republican whip wrote a letter to Chairman ROBERTS last month. That letter dictated to the Agriculture Committee—in no uncertain terms—the specific policy option the committee was to choose in order to meet its reconciliation savings. No room was left for the committee to deliberate—for the committee to obtain the views of farmers, of consumer groups, of the administration.

Mr. Chairman, the Freedom to Farm Act included by decree of Speaker GINGRICH in the bill now before the House, was first introduced as a bill in August. Our committee has not held one hearing on it. The details of the dairy portion were only made available in September: same story—no hearings.

Mr. Chairman, farmers in every region of this country have very grave concerns about the agriculture provisions before the House. They represent a sudden and dramatic abandonment by the government of its roll in sharing the farmer's risk. Farmers are particularly concerned that this sudden withdrawal of the Federal Government from sharing their risks may make the difference in their fight to stay on the farm. Yes, they may know that each year they will get a cash payment, but if prices collapse next year, will that payment be enough? If wheat prices fall to $2.50, how many wheat farmers will be out of business in Kansas, in the Dakotas, in Washington? If cotton prices fall back down to 45 cents, how many cotton growers—spread out all over the South—will survive? If corn prices are under $2, where will the corn belt be? What if milk prices fall to $9, how many of New England's dairy farmers can make it?

Mr. Chairman, farmers will hope for the best. But if the best doesn't materialize, and a substantial base of our food and fiber production capacity is lost—will we feel that it was worth the risk, to have incurred that loss in order to provide a $245 billion tax cut?

All these questions, Mr. Chairman, and we have no answers—not even opinions. All we had in the Agriculture Committee this year were a few votes. No discussion. No consideration of the views of the farmers, the consumers, the businesses that thrive on the products of agriculture—those hearings on which we've always heavily relied. The policy before the House was not aired out in the Agriculture Committee, it was dictated by Speaker GINGRICH and Republican Leader ARMEY.

Mr. Chairman, it is not easy to figure out where we went wrong this year but I do know this: The most basic needs of our society are at stake and we are nowhere near to a consensus on where we should go. The paralysis of the Agriculture Committee and the dissension within the majority party make it clear that we need to start over again. We need to support the Democratic substitute and if that fails, we need to vote this bill down and start again.

The American people don't want this bill and many American farmers will not survive this bill. A right-thinking bipartisan majority defeated this proposal in the Agriculture Committee. Many of my colleagues on the Republican side know that the agriculture title in this bill is

wrong. I urge them to resist the Speaker's pressure and to join with us; to oppose this bill today; and to work with us in trying to reach a consensus on a balanced budget that doesn't undermine agriculture.

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

□ 1415

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. BLILEY].

(Mr. BLILEY asked and was given permission to revise and extend his remarks.)

Mr. BLILEY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, of all the things I have done in my career as a public servant—of all the things that, God willing, I may still yet accomplish—I believe I have never been more proud than I am today, standing in support of this reconciliation bill.

For decades, responsible voices across the political spectrum have warned Congress to get control over entitlement spending; today, we heed their call.

Since the 1970's, economists have forewarned a coming fiscal tragedy if Congress failed to muster the courage to balance the deficit; today, after 30 years of excuses, we will do just that.

For years now, reconciliation was the time when the promises ended and the excuses began.

Excuses, And justifications. And rationales.

Excuses that said balancing the budget was impossible.

Justifications that explained why it couldn't be done.

Rationales for the failure of this Congress to act.

Today is the day the excuses come to an end; the dawn of a new day, a day of political leadership.

A day of courage.

A new day of accountability in government.

Today will be remembered as the day the new Congress transformed Washington's approach to government.

We are long overdue.

A child born this year will pay more than $187,000 over his or her lifetime just to pay the interest on the debt we have already accumulated.

It's too late to change that.

But it is not too late to change the growth of that debt in the years ahead.

It has taken this Republic more than 200 years to build up a debt of almost $5 trillion.

But if we fail to act today, that debt will more than double in just the next two decades.

If we fail to act today to bring entitlement spending under control, those same entitlements—together with interest on the debt—will consume every dollar paid by every taxpayer by the year 2030.

If we fail to act today, your children, my grandchildren, will be turned down for college loans, for home mortgages, for credit cards—because the money will already have been committed, earmarked toward fueling the Government's debt.

But we will act today—and our Commerce Committee had a major role in getting us to this day, with historic reforms in Medicare and Medicaid, and with the first-ever elimination of a Cabinet-level department, the Department of Commerce.

We will act today. I'm proud of that. The American people can be proud of it, too.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to our distinguished colleague, the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, those of us who come from rural America know there will be profound implications from this budget reconciliation proposal that is put before us, not only for our farming communities, which feed the rest of this country. We know that 3 percent of our farmers are feeding 97 percent of our population, yet this bill, which had no hearing, the freedom-to-farm bill, will now put those farmers at great peril, because now they will pull that security from them.

In addition to the farm bill itself, there are other bills in our areas in rural America. We earn about one-third as much as the rest of America. That means we have less money for shelter, less money for clothes, less money for health care. Yet, through this bill, that means we will be threatened in terms of our senior citizens. By the way, there are more senior citizens living, in proportion to our population, in rural areas than anywhere else, so we will have to take care of the sick.

Tell me, how, through this bill, do we respond. This bill is a disaster for America, but it is far more harmful to those who live in rural America. For those of our community who would like to have water, sewer, and industrial development, again, no funds for housing, very little funds for water and sewer. Those funds have been cut. I remind Members, in the Committee on Agriculture itself both Republicans and Democrats voted for an amendment to the freedom-to-farm bill to extend at least $800 million more so small communities could have water and sewer. Did I find it when I looked in the bill? No, it was deleted. This is a disaster. We should vote against this bill.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I had not planned to speak in this part of the debate, but I have been sitting in my office listening to the debate, and sitting here on the floor listening to it. I have heard so much about this Republican tax increase. What this side has been talking about is the cuts in the earned income tax credit. The earned income tax credit started in 1975. It started out as a $2 billion a year program. It now has grown to $20 billion a year. That is a 1,000 percent increase.

Is the Republican plan cutting it? No, we are not cutting it. I have a graph next to me that I think very graphically depicts, in picture form, so maybe those who have been debating can understand it. The red bars, as we see, starting in the year 1996, are the Republican proposal. The blue shows what existing law is, and what existing law would be if the present spending levels were to remain in place. As we can clearly see, in each year where we see the red bars, that is the Republican plan, the spending levels are substantially over 1995 and continue to escalate. As a matter of fact, it escalates out to $27 billion.

People might say ''Where are the savings coming from?'' The savings are coming from people who do not have children. We feel that the earned income tax credit was meant, really, to help people out that are trying to raise families. The question is, of the people that have children, were any of them cut. Yes, some of them were cut. That was at the highest level of income. The ones going into the workplace, the ones that are becoming first-time employed, they are not all affected by what the Democrats call this huge cut.

The argument has been going on on this side of the aisle to say ''This is a tax increase.'' Let me tell the Members that is what is wrong with this country today, that type of mentality. Eighty-five percent of the money sent out by Uncle Sam as an earned income tax credit is an outlay, 85 percent of it. That means only 15 percent is actually a refund in taxes.

If we look at the whole reconciliation bill we will also find something else in there that people who are taxpayers are getting. That is a $500 credit for children. The people that are losing the earned income tax credit at the higher end of the scale, they are going to receive a tax credit. It comes out in the wash, and it is just, really, about the same. The only people that are going to actually lose this are the single taxpayers that do not have children, that are not raising families.

I tell the Members, with the type of mentality and the type of argument that has been going on in this Chamber today, it is no wonder that we are swimming in red ink. This is irresponsible accounting and it is irresponsible debate.

Mr. DE LA GARZA. Mr. Chairman, I yield 30 seconds to our distinguished colleague, the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I would just like to say to my colleague that if it was not a tax increase, then why did he need a budget waiver for this bill?

Let me just say that what they have done here with the earned income tax credit, it is $23.3 billion in taxes of low-income working families. They are going to raise the taxes of 14.2 million families who make less than $28,000 in 1996, and the charts can say whatever they want, that is an absolute fact. Take the words of Jack Kemp, who was appalled at what you are doing in

terms of cutting the earned income tax credit.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to our distinguished colleague, the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. The first thing I want to do, Mr. Chairman, is make this general observation, that are we not truly blessed to live in a country that has the most abundant food supply, the best quality of food, the safest food supply, at the lowest cost of any other country in the world?

From that point I make another observation. Here we are, I thought about to discuss one of the most important things for agriculture in the United States in the budget, and we are talking EITC on this side, and no one is discussing agriculture. That has been our problem all year on agriculture. We have ideology running it on this side, and some of us on this side would like to deal with technology. We would like to talk about how we make certain things work. Instead, we are still debating freedom to farm. That is in the budget. Where is someone over here to defend freedom to farm? Where is someone on this side who is prepared to stand up and say the Freedom to Farm Act is the way we ought to go? No one is yet, and I am sure there will be someone soon.

This has been the point we have been trying to make all year, not one single minute of hearings have been held on the agricultural sector freedom to farm, which is in the budget today. A simple question, a simple statement. Basically what we are saying, we should not unilaterally disarm our farmers in the international marketplace with trade, GATT, NAFTA, all of the things that are going on, when the rest of the world is continuing to subsidize farmers.

What do we hear from the other side? Freedom to farm, freedom to farm, freedom to go broke. Somehow, some way, people believe that we can have our farmers competing with the European Economic Community that are increasing their subsidies. That is the answer we hear in this wonderful budget coming from this side of the aisle. That is the thing we have wanted to see debated and discussed time and time again.

For the first time in years, if not history, we have a farm bill in this bill that nobody seems prepared to defend. No one has seen fit even to have hearings. Yet, here we are today, unilaterally disarming, at least from the majority budget. Support the coalition budget, the best alternative.

Mr. SHAYS. Mr. Chairman, I reserve the balance of my time, given that we are ahead in time.

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the gentleman discontinuing his presentation, inasmuch as it is totally unrelated to what we are speaking about on this side, agriculture.

Again, I protest the process. On that side they have legislation that was not approved by the committee, which is, in my years here, in the history of this Congress, basically the first time that that has been done. I am terribly embarrassed, one, and upset and frustrated that this process has gone on.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, we have heard why there are good reasons for senior citizens to be very concerned about this reconciliation bill. We have heard very good reasons on why the working poor ought to feel threatened by the passage of this reconciliation bill. I am here to explain why farmers throughout this country, in particular dairy farmers, should be very, very concerned about the prospects of what is included in this bill.

The dairy title in this reconciliation bill, if it was instituted, would require the immediate deregulation of our dairy industry. It would eliminate any type of dairy policy that has guided this country for the last 60 years, that has ensured stability of prices throughout this country. They would eliminate that overnight, which would ensure that we would have thousands of dairy farmers throughout this country being driven into bankruptcy.

Every economist that has analyzed the deregulation plan has come to the conclusion that it would result in at least a 15-percent decline in prices, and dairy farmers cannot withstand that. This policy is also one which is not consistent with Republican philosophy, as far as I can tell, because the Republican proposals for dairy farmers in this, with their deregulation, they are willing to obligate taxpayers of this country to start writing checks to dairy farmers.

In fact, the provisions of this dairy title would allow a dairy farmer today to sell his herd in the next month, and taxpayers for the next 7 years would be required to write them a check, even if they were not milking another cow for the next 7 years. In fact, a dairy farmer in my area with a 1,000 cow herd would be eligible under this dairy program that the Republicans are promoting for a $200,000 check next year, a $200,000 check coming from the taxpayers of this country.

The Republicans campaigned on a Contract With America. They campaigned that they were going to do good things. They convinced some of their constituencies they were going to do good things, but this contract that the Republicans are signing for the taxpayers on behalf of the dairy farmers in this country is obligating them to a check that they are going to write that they cannot afford. It is bad policy and we ought to defeat this bill.

□ 1430

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. LAUGHLIN], a very valued member of our conference.

Mr. LAUGHLIN. Mr. Chairman, passage of the 7-Year Balanced Budget Reconciliation Act demonstrates to the American people that the new Republican majority will deliver on its promises and end business as usual in Congress.

This reconciliation package provides for a balanced budget by the year 2002. With this proposal, we will balance the budget while allowing the citizens of this country to keep more of their hard-earned money. With this reconciliation package, we are telling the hard-working citizens of this country that they, not the Federal Government, can and should decide where their money is spent.

This package marks the beginning of a shift toward the goals and decisions of the individual, and an end to the burdensome, intrusive, bureaucratic agencies like the IRS.

Democrats will say that we cannot afford to give hard-working Americans a tax break while balancing the budget. With this plan, we will prove that we can and that we will. Provisions such as a reduction in the capital gains tax will mean more jobs and economic growth. This is what the American people have asked for, and this is what we are delivering.

The American people understand the importance of balancing the Federal budget. They understand that Republicans have offered the solution, and that Democrats have offered scare tactics. We need to pass the Balanced Budget Reconciliation Act today for our children and grandchildren.

Mr. DE LA GARZA. Mr. Chairman, I yield 15 seconds to our distinguished colleague from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I would like to ask the last speaker from Texas if he realizes that people from Texas, through this bill, at least, will lose $4.3 billion in Medicare for his senior citizens. That is a 20-percent cut for the citizens of his district.

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to ask the previous speaker if he realizes that this legislation will reduce by half the rice-growing area of Texas.

Mr. Chairman, I yield 2½ minutes to the distinguished gentleman from North Carolina [Mr. ROSE].

(Mr. ROSE asked and was given permission to revise and extend his remarks.)

Mr. ROSE. Mr. Chairman, the Republican revolution has just rolled over rural America and left the family farmer in the tire tread marks. The drastic changes to farm commodity programs being forced upon family farmers by this bill that we will vote on today are unprecedented in their severity and in their lack of judicious consideration by the House Committee on Agriculture.

The budget cuts envisioned for rural America by the Republican leadership

have not had a single day of hearings, have not been adequately debated, have not been approved by the House Committee on Agriculture. The chairman of the Committee on Agriculture has spent more time discussing the Republican Freedom to Farm Act with the editorial boards of the Wall Street Journal and the New York Times than he has with his Democratic and Republican colleagues on the House Committee on Agriculture.

Even with the ringing endorsements of the Wall Street Journal and corporate executives of well-known rural centers like New York, Chicago, and San Francisco, the Republican farm bill failed the House Committee on Agriculture. We voted it down in a bipartisan vote. After meeting strong bipartisan resistance, the leadership circumvented the traditional committee process and has inserted Freedom to Farm in the Republican budget.

Now, I would say to my colleagues, this is being told to the American farmer as a great visionary piece of work. However, we have not seen one single visionary on the Republican side here today talking to you about how great Freedom to Farm is. What is the matter, brothers and sisters? If it is so wonderful, why are you not out here extolling the virtues of Freedom to Farm?

I have a letter here to the Speaker signed by about 15 Republican Members of this body to the Speaker, and it says:

> The Senate is bringing us a workable package of agricultural budget savings that we can all live with. Why not come to an agreement on an approach that achieves the budget target and avoids a disastrous vote for rural Republicans?

Brothers and sisters, my colleagues, do not do Freedom to Farm. We have done enough to rural America. This is the last straw.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas, Mr. SAM JOHNSON, a gentleman who had much time in Vietnam to think about how much he cares about our country and its children.

Mr. SAM JOHNSON of Texas. Mr. Chairman, this morning I saw a bumper sticker that was very appropriate for today. It read, ''Hey, Congress, do your job, balance the budget.''

I think today America is closely watching this debate to see if Congress is finally going to live up to its promise of balancing our Nation's budget, and that includes agriculture too, I say to the gentleman from Texas [Mr. DE LA GARZA]. America has heard the Democrats' scare tactics, the rhetoric, and the empty promises before, and they are fed up with it.

Mr. Chairman, it is the Democrats' tax and spend policy of the last 40 years that has driven this country into the financial crisis that we are facing today. I am proud to say that the Republicans are ready to act now and do what Americans elected us to do, and that is, balance the budget. We are going to send the President a plan that cuts spending by $894 billion, and for the first time in 26 years, balances America's checkbook.

This bill eliminates hundreds of wasteful government programs, ends welfare as we know it, protects, preserves, and strengthens Medicare, returns power to the States, and provides much-needed tax relief to hard-working Americans.

Mr. Chairman, the President says he will veto this historic document. If he does not have the leadership or the courage to balance the budget, lower taxes, and secure a safe future for our children, just remember, that for each day after a veto he will be personally responsible for adding millions of dollars to the national debt.

So if you are for less taxes, less government, and a balanced budget, your vote for this budget will create more jobs, more opportunity, and more prosperity for our Nation. A vote for this plan is a vote for the future of America.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The gentleman's time has expired.

Mr. DE LA GARZA. Mr. Chairman, I yield myself 5 seconds to say to the gentleman from Texas, Mr. SAM JOHNSON, we have a plan that balances the budget. We have a plan that balances the budget.

Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Alabama [Mr. BEVILL].

(Mr. BEVILL asked and was given permission to revise and extend his remarks.)

Mr. BEVILL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in strong opposition to this budget plan. I will vote against it and I wish I could vote against it twice. This bill will create more suffering for senior citizens and children than any legislation ever passed by Congress. If it passes, I strongly urge the President to veto it.

This bill severely cuts Medicare, requiring senior citizens to pay more for their health care needs. It jeopardizes their choice of doctors, the quality of care they receive and their ability to pay for it. It eliminates Federal standards for nursing homes.

This bill severely cuts Medicaid, imposing a tremendous burden on States to meet the needs of poor children. It eliminates the School Lunch Program, replacing it with a block grant that will not cover all needy children when poverty increases.

This bill destroys work incentives for thousands of low-income working families trying to stay off welfare. It cuts the earned income tax credit, designed to help the working poor, while cutting taxes for the nation's wealthiest people.

In fact, this budget plan favors the big corporations, the high-income people and the special interests at the expense of those who can least afford it.

I favor reducing the size of the Federal Government. I am a long-time co-author of a constitutional amendment to force a balanced Federal budget. And, I think we can do a better job of enforcing laws already on the books to cut waste, fraud, and abuse in government programs.

But, I will never support legislation that seeks to balance the budget on the backs of senior citizens and children.

This is the worse piece of legislation I have ever seen and I strongly urge my colleagues to do the right thing and vote against it.

(Mr. DE LA GARZA asked and was given permission to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Chairman, today the House will consider a substitute to the Gingrich budget bill. This substitute contains agriculture provisions that will reduce the deficit $4.6 billion over 7 years. These are the provisions that were considered by the Committee on Agriculture and failed on a 22 to 27 vote. In spite of the fact that they were desirable policy, they did not meet the committee's reconciliation obligation. Many of my colleagues across the aisle regretted that they could not support it because it did not meet the requirements of the budget resolution to balance the budget by 2002.

Today, my friends, you can now support reductions of $4.6 billion for agriculture, not $13.4 billion in cuts—three times that size, and reap the benefit of a balanced budget because the substitute also balances the budget by 2002.

Yesterday, I heard my good friend Chairman ROBERTS testify before the Rules Committee what his freedom to farm provisions would do as part of the Gingrich plan.

Chairman ROBERTS said American farmers would pay $15 billion less in interest expenses because of a balanced budget. Mr. Chairman, the substitute will reduce the same $15 billion in interest expenses for American farmers because the substitute also balances the budget.

Chairman ROBERTS said American farmers will have increased planting flexibility because of freedom to farm in the Gingrich budget plan. Mr. Chairman, American farmers will also have increased planting flexibility in the substitute budget plan.

Chairman ROBERTS said that freedom to farm will lock up the baseline for farmers so that when we will have to pass more cuts in coming years, and he said not to fool ourselves—we will have more deficit reduction bills just like this one, that farm spending will be protected. Mr. Chairman, I do not know why there will be more reconciliation, perhaps the tax cuts are too high or the spending cuts are not real, but if you vote for the substitute, there will be no need for future reconciliation because it will balance the budget.

Chairman ROBERTS said that freedom to farm was a market-oriented plan. Mr. Chairman, unless, by market-oriented, Chairman ROBERTS means the unimpeded opportunity to lose your shirt, the substitute bill is also market-oriented. Farmers will respond to market prices in their planting and marketing decisions.

But when farm prices are driven down by large supplies, poor economic growth, or an overvalued currency, as happened in the past, the substitute's farm program will increase payments to farmers to partially offset those market losses. And when prices are high, government payments will decline or cease altogether, reducing benefits when farmers do not

need them. Under freedom to farm, farmers will receive the same $6 billion in 1996, for instance, whether prices are low-baseline levels, or above, as USDA has recently projected them, and requiring only $2.8 billion in payments to farmers.

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minute to our distinguished colleague from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Chairman, a cute phrase can be deceptive. This is certainly the case with the mislabeled farm portion of this massive bill. The farmers in my area call it the Farm Failure Act of 1995. It is designed to stabilize land values, not commodity prices. It benefits landowners far more than farmers. It mandates automatic payments regardless of crop prices. It discredits the farm programs.

In fact, it mandates these payments even if the prices are at record highs. In this time of huge deficits, it is estimated that it will cost $10 billion more than a simple continuation of present programs. We not only balance the budget on the backs of farmers, we are cutting them off at the knees.

Mr. Chairman, I believe that all of us agree that we should balance the budget in 10 years. We should balance it in 5 years. We have a plan that would balance the budget in 7 years, and it would do so without the harsh, dramatic impact on agriculture that this bill that the Republican majority proposes would impose.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Nevada [Mr. ENSIGN], another distinguished member of the Committee on Ways and Means.

(Mr. ENSIGN asked and was given permission to revise and extend his remarks.)

Mr. ENSIGN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, there is no easy way to do what Congress is about to do. If it was easy to do, previous Congresses would have done that. The national debt we are passing on to our children, including my 3-year-old son, Trevor, and his little sister who will be born in a little over a month, is nothing short of immoral. It is immoral to do to poor children, middle-class children and wealthy children, because if nothing is done, poor children will never get to be middle class or wealthy.

This bill is not only pro family because it begins to lift the debt burden from our children and grandchildren, but there are many other provisions on which I will touch on just a few.

First of all, this bill addresses the marriage penalty. There is a $500 per child tax credit. There is a $500 elderly care tax credit. There is also an adoption tax credit, and there is also estate tax relief so family-owned businesses such as family-owned farms can survive without having to sell off all of their assets so they can send that money back here to Washington. Mr. Chairman, it is bad enough that citizens pay taxes all of their lives, but then when they die, they have to pay taxes again.

This debate is largely about who should spend the people's money. Should families have more of the money they earn to spend at their discretion in the manner best suited to their situation, or should the Federal Government, which already has demonstrated all too well the inefficient way it spends money. Should the Federal Government be increasingly let into our pocketbook to waste our tax dollars?

I believe that the words tax cuts are not bad words. This is your money, America. Do you not deserve a little more of it back? Is everyone satisfied with the bang that they are getting for their buck?

Mr. DE LA GARZA. Mr. Chairman, I yield 15 seconds to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I wanted to bring to the attention of our colleagues that approximately 14 of our Republican colleagues addressed a letter to the Speaker where they call the proposal, welfare for the Freedom to Farm bill. They said they would rather have a Senate version than the version here.

Mr. DE LA GARZA. Mr. Chairman, I yield 15 seconds to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to point out to my colleague that just spoke that the chairman of the Committee on the Budget, Mr. KASICH just informed this body that the $500 tax credit is not in this bill.

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, this portion of the budget represents the deepest cuts and most drastic changes proposed in agriculture in decades. You would have thought that the Freedom to Farm Act might have warranted very thorough consideration. In fact, it did not have a single hearing in the Committee on Agriculture.

Basically, House leaders told rural America, this is what we are going to do, now sit down, shut up, and take it. But we did not take it in the House Committee on Agriculture. We defeated the proposal. However, House leaders had the audacity to move this into the budget in spite of the House Committee on Agriculture rejection. Shame on all of you who have participated in such a vicious charade for rural America.

I am not surprised that for most of this debate there is not a single Republican House Committee on Agriculture member here to defend what has been done.

Mr. SHAYS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to thank the gentleman from North Dakota [Mr. POMEROY] for his help on the spousal impoverishment, which was very fine help. We appreciate it.

Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from California [Mr. THOMAS] of the Health Subcommittee from the Committee on Ways and Means.

(Mr. THOMAS asked and was given permission to revise and extend his remarks.)

□ 1445

Mr. THOMAS. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, what I want to do is try to refocus our attention away from perhaps the more rancorous partisan aspects and frankly look at a little bit longer term perspective.

Because I am here representing two individuals who are not here in both the House and the Senate. Senator Bentsen is no longer with us, and J.J. Pickle is no longer with us. But for a number of years, Senator Bentsen joined with Senator ROTH and I joined with J.J. Pickle to focus on what we call superIRA accounts, the idea that individuals would have greater control over that money, which was theirs, which had been put away.

We were unsuccessful for a number of years, but I am pleased to announce that in this particular reconciliation bill a couple of the key points that Senator Bentsen, Senator ROTH, Jake Pickle, and I fought for, for a number of years, are present.

Today, if you withdraw from your IRA to spend on medical expenses for yourself prior to the 59½ year, you not only have to pay taxes on the money you withdrew from your own savings, you also have to pay a 10-percent penalty. That just does not make any sense. What we do today is say, if it is for medical expenses, you do not have to pay and you do not have to pay the penalty.

I might add that President Clinton's 1996 budget also includes this provision; and I might say that H.R. 11, which was passed by this House and unfortunately vetoed by President Bush two Congresses ago, contained that provision as well. So it is just kind of a nice culmination of a number of bipartisan projects that come together today in this particular bill.

In addition, the long-term care insurance provision. You do not now get to deduct the cost of long-term care insurance as part of your medical expenses. This has been a project that we have worked on bipartisan for a long, long time. As a matter of fact, President Clinton has this in his 1996 budget as well. We think it is a good idea, and we included it in this reconciliation package.

In addition to that, we are supposed to talk about taking care of your own. Today, if you have a senior or an elderly in your home, your parent, your relative, you do not get any tax credit whatsoever for the out-of-pocket costs in taking care of that individual. In this reconciliation bill, you get credit for those expenses.

In addition to that, when we examined the medical savings accounts and those who were uninsured, we thought that those young people who are working above the poverty level but do not need all of that third-party first-dollar coverage of comprehensive medical care really did not have a product in the marketplace that fit their needs. This reconciliation bill contains a medical savings account provision for young people who can shape their insurance needs to what they need at an affordable cost.

In addition to that, you have an orphan tax credit that has been worked on on a bipartisan basis for years. It had lapsed. We had not been able to renew it. It is for those drugs that go to Tourette's disease, go to Huntington's disease, but there simply is not a broad enough base to pay for them. That is in this bill.

There are a number of provisions that for a number of years on a bipartisan basis we have tried to move forward. I just thought people should know in the middle of this partisan rancor that there are a number of provisions that colleagues here today have voted for and colleagues who have been here in the past have voted for, and it is a really good provision.

Mr. DE LA GARZA. Mr. Chairman, I yield 15 seconds to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Chairman, just this point. Do we all know that 14 Republicans wrote Speaker GINGRICH saying this bill is a disastrous vote for rural Republicans?

Mr. DE LA GARZA. Mr. Chairman, I yield myself the balance of my time.

I want to thank all the members that worked with us in the Committee on Agriculture. I am saddened by the fact that the legislation which appears in the reconciliation is not the product of the Committee on Agriculture. I am concerned about that.

But the Stenholm proposal balances the budget in 5 years. The Committee on Agriculture has met its commitment. We have reduced over $50 billion in the past 10 years. No one can point the finger at the Committee on Agriculture that we have not done our share.

The CHAIRMAN. Under the previous unanimous-consent agreement, the gentleman from Michigan [Mr. DINGELL] will control the remaining 30 minutes for the minority.

The gentleman from Ohio [Mr. KASICH] has 27¾ minutes remaining.

The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, does the majority not want to use its time? It is such a great bill they have got. I would be delighted to defer to listen to that.

Mr. SHAYS. If I heard the gentleman correctly, Mr. Chairman, we have 27 minutes and this gentleman has 30 minutes remaining. Is that correct?

The CHAIRMAN. That is correct.

Mr. SHAYS. Mr. Chairman, we reserve the balance of our time.

Mr. DINGELL. Mr. Chairman, I would observe that it is usually the practice for the majority to set forth what a great piece of legislation this is. I am waiting for somebody over there to tell me what a great piece of legislation this is.

Mr. SHAYS. I would be happy to point out to the gentleman, but we reserve the balance of our time.

Mr. DINGELL. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, I can understand the reluctance of my Republican colleagues to tell us what a great bill it is because, quite frankly, this is one of the worst pieces of legislation I have ever seen in the 40 years I have served in this body. The bill includes both Medicare and Medicaid cuts and tax breaks.

Our Republican colleagues said that they were not tying the two together. Well, they are tying them together in this bill. The poor and the aged are going to understand that the contributions that they are making of about $500 billion is being made so that a tax cut can be given to the wealthiest Americans. That is finally proven in this piece of legislation.

The pernicious approach violates the contract we have with seniors who have paid for their Medicare benefits. It means seniors will pay more and get less choice of doctors, poor quality lab tests, and nursing homes that do not meet common standards of decency.

By separating action on Medicare from the rest of reconciliation, Republicans tried to convince us that $270 billion in Medicare cuts do not pay for $245 billion in tax breaks for the rich. But Americans can perform the simple math required. They know when someone is pulling the wool over their eyes.

The bill also destroys Medicaid. Under the mantra of State's rights, Republicans are pulling the safety net out from under middle class families, poor children, women, seniors, and the disabled—the most vulnerable of Americans. Up until last night, the Republican bill arbitrarily cut $182 billion from Medicaid. Now they say they have fixed it by cutting only $170 billion. But this midnight deal does not change the fact that this bill abdicates the Federal Government's role in Medicaid, reduces health care for the most needy, and invites abuse by States. It takes away vitally important guarantees under current law: protection from having to sell the family home or farm to pay for a loved one's nursing home care; guaranteeing coverage for seniors with Alzheimer's; setting minimum standards of safety, cleanliness, and decency for nursing homes; and guaranteeing health care for children and pregnant women.

I and other Members tried to correct one of the most glaring defects in the bill by offering an amendment on behalf of Mr. GINGRICH. In debate last week, the Speaker obviously was under the misimpression that his new MediGrant Program does what current law guarantees—covering the cost of Medicare premiums for seniors under the poverty line. In fact, this bill repeals what current law provides. Our amendment would have restored provisions the Speaker erroneously relied on and guarantee that the poorest of seniors have Medicare coverage. But the Rules Committee gagged us from amending the bill so that it will do what the Speaker says it does.

I also want to point out the devastating impact that this bill has on health care for veterans. The Secretary of Veterans Affairs says that the harsh spending caps in the Republican plan will require 41 veterans hospitals to close their doors. As a result, more than 1 million veterans will be denied health care by 2002. I do not share the misguided view of my colleagues on the other side of the aisle that the best way for veterans to stay healthy is not to get sick.

This bill walks away from responsible government to help people in need in favor of lining the pockets of the wealthiest Americans with unneeded tax cuts. In addition to health care cuts, this bill slashes education, job training, and other programs upon which we empower people to help themselves.

Most Americans will get nothing, or pay more under the GOP tax break. The small percentage of the tax cuts that will go to families earning less than $50,000 a year will be more than offset by spending cuts. These families stand to lose $648 a year or more under the GOP plan. Those earning more than $350,000—the richest 1 percent—will get $14,050 a year for the tax cut. I find it curious that my Republican colleagues, who criticize the President for not cutting middle class taxes enough, are rushing to raise taxes on many low income families. I must confess I am not surprised, however, that they would follow through on their threats to slash programs vital to the financial security of working Americans.

Finally, I must object to the cavalier manner in which the Republican leadership has included massive changes in farm programs. The so-called freedom-to-farm proposal was found to be so objectionable that the House Agriculture Committee failed to get it out of committee. On an issue as vital as our Nation's food security, this bill shreds responsible legislating for partisan game playing and makes rural Americans the pawns.

This is not the way to legislate, and it is a dangerous way to govern.

Mr. Chairman, this is the biggest and the most important bill to be considered by the House this year. The cuts are too large. It hurts terribly the health care coverage of millions of Americans.

I strongly oppose the bill. I now look forward to hearing from my Republican colleagues about what a great piece of legislation this is.

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

Mr. SHAYS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I say the reason the gentleman has not heard from us is he has not been on the floor listening.

Just taking Medicare, for instance. We have not increased co-payments; we have not increased deductibles. The

premium stays the same at 31.5 percent. No one has to leave their fee-for-service system. If they want to, they can go. If they go into a private care, every month they can come back into their system.

What the gentleman does not want people to know is that we are going to spend 73 percent more, over $600 billion more in the next 7 years than we did in the last 7 years; what the gentleman does not want people to know is in the 7th year we are spending 50 percent more than we do today on Medicare; and what the gentleman does not want people to know is that the per beneficiary goes from $4,800 to $6,700.

Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. PORTMAN].

Mr. PORTMAN. Mr. Chairman, I thank the gentleman from Connecticut for yielding me the time, and I commend him for his unwavering support over the years for fiscal sanity and say that I am very proud to stand up here today and support this bill that leads us to the first balanced budget in 26 years.

But I also want to talk about some other things. As the gentleman from Michigan says, many of us are eager to talk about some of the good things in this bill beyond the fact that we come to the first balanced budget in 26 years, which is of paramount importance.

This afternoon, I want to highlight a few of the small business incentives in this package that go beyond that critical task of getting spending under control but will encourage saving and job creation to lead to real long-term economic growth.

Let me give a good example. It is not too glamorous, but it is extremely important to small businesses, to workers and employers in small businesses around this country. It is the long-overdue, comprehensive simplification of our pension laws in this country. And it is in this bill.

These changes which the gentleman from Maryland [Mr. CARDIN] and others on both sides of the aisle have been working on will make it easier and less expensive for businesses to both establish plans and to maintain pension plans, thus encouraging and enabling people to save, an important public policy goal in its own right, and also will encourage people to plan and to take responsibility for their futures and for their retirement.

Pension law is a great example of an area where Congress, by meddling, has hurt workers and employers who are trying to do the right thing. Quite simply, as the rules and regulations have multiplied in this area, fewer and fewer employers are able to offer pension plans. It has gotten to the point where today only 20 percent of those employers with less than 25 employees offer any kind of pension plan at all. It is no surprise that our savings rate is among the lowest, if not the lowest, in the industrialized countries.

Another example of rules that are outdated, overly complex and impede job creation are the subchapter S corporation rules and regulations. That includes most of the small and family-owned businesses in America. The sub-S changes that we have made, and they are in this bill, will help companies grow and flourish, create new jobs and will keep family businesses family-owned.

The point I want to emphasize is that the pension, subchapter S and other reforms in this legislation are going to stimulate national investment and savings, foster business growth, and they are good for America, and they are all in this bill.

Ms. ESHOO. Mr. Chairman, I yield 15 seconds to myself to point out to the gentleman from Ohio, who just spoke about the bill, that Ohio will lose $4.1 billion in health care for the elderly and the disabled. Most of this is in nursing home care which will have to be paid for by their hard-working middle-class families.

Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. WAXMAN].

(Mr. WAXMAN asked and was given permission to revise and extend his remarks.)

Mr. WAXMAN. Mr. Chairman, there are many, many reasons to oppose this legislation: It savages health and education programs; it gives tax breaks to the wealthy at the same time it takes the earned-income tax credit away from people who need it; it contains some outrageous assaults on some of our most treasured environmental assets.

Under the cover of balancing the budget, this bill is a disaster for American people, full of special interest giveaways and policies that will do irreparable harm to the health and well-being of America's working families, children and seniors. Nowhere is that effect more obvious than in the actions taken to slash and undermine the Medicare and Medicaid Programs.

The so-called Medicare reform of Mr. GINGRICH is nothing less than an attempt to destroy Medicare as we know it, and take away from our seniors the ability to stay in a strong and viable Medicare Program where they can choose their own doctor and be protected against having to pay that doctor a lot of extra dollars out of their own pocket.

The Gingrich Medicare reform hikes the Medicare premium dramatically, and takes away the guarantee for seniors struggling to live on incomes below poverty that Medicaid will pay their Medicare part B premium and cost-sharing. Despite the personal assurances of Speaker GINGRICH to this House last week, that help that seniors have now is not there.

If there is any doubt about what the agenda is here, we need to look no further than the statements reported in today's Washington Post:

Majority Leader Dole, stating with pride that in 1995, ''I was there, fighting the fight, voting against Medicare.''

Speaker Gingrich, bragging to the insurers about what the Republicans are doing to Medicare, ''Now, we don't get rid of it in round one because we don't think that's politically smart . . .''.

It is not that he does not think it is a good idea to get rid of Medicare, but it is smart politics to cover up the impact in the first round.

I do not think it is smart politics to think that you can fool the American people about what is going on here. Democrats are proud to defend Medicare, not because we think it is smart, but because it is the right thing to do.

With Medicaid, Mr. GINGRICH and his Republican colleagues do not even seem to think they have to put up a smokescreen as they dismantle it. They take away any guarantee of coverage for people who need nursing home care, for severely disabled children, and adults who have nowhere else to turn for help, for 18 million poor children who have no other source of health care. That is one-quarter of the kids in this country who are about to be put at risk to join the ranks of the uninsured.

They take billions of Federal dollars out of the system to provide health care for people who have no other options, and they leave States, counties, and cities holding the bag when they find that there is not enough money to deal with the problem. They leave the States with the choice of raising taxes to try to replace Federal revenue, or simply cutting people off from help.

And they tip the scales toward cutting people off. States will soon be competing with surrounding States in a race to the bottom—afraid to try to keep an adequate Medicaid Program in place because too many desperate people from surrounding areas will try to come in to get help.

There is more. They do not want to pay nursing homes enough to support the delivery of decent quality care. So their answer to that problem is to repeal the nursing home standards.

They undo all the protections of current law, and hope people will not understand what they are doing. They hope this will get through before they get caught.

Look what they did in terms of protecting the spouse of someone who goes into a nursing home from ending up in poverty. First, they repealed all the protections. Not one Republican voted for restoring them when we offered an amendment to protect against spousal impoverishment in committee. They were very outspoken that they did not need or want Federal standards.

Then they started to feel some heat in the press, and even they started to feel uneasy defending what they had done. So they changed it—all of a sudden the amendment all the Republicans hated in committee showed up in the Kasich bill. Now they were finally willing to say that a State could not impoverish the spouse.

But there is just one problem—they let the nursing home itself require the

spouse or the adult children of the person in the nursing home to make them pay extra if they wanted their husband or wife, father or mother, to get care in the nursing home. I think we call that giving with one hand and taking away with the other.

What happened? Once again, when the light of day shined on what they were doing, they reversed course.

Now the rule adds a Bliley amendment—one that Mr. BLILEY did not ask to be made in order, I might not, until we caught them at what they were doing—that would not let the nursing home get that extra money. Well good! That is what they should have done in the first place.

But the fact is they are still trying to hide the biggest thing of all. What they are hiding is that the spouse who needs the nursing home care in the first place is not assured of getting it!

People with Alzheimer's getting coverage under Medicaid now: They have no guarantee they will be covered.

People who could stay at home if they had some help: No guarantee of coverage.

People who have to have nursing home care: No guarantee of coverage, and even if they do get it, no guarantee that it will be in a decent facility.

Even veterans now getting services: No guarantee they will continue to get coverage.

This is wrong. It is wrong to say to millions of working families with severely disabled children, that they have no guarantee of help anymore.

It is wrong to say to families who have no health insurance coverage for their children, that they have no guarantee of help anymore.

It is wrong to say to low-income seniors that they have no guarantee that we will help pay their Medicare premiums and cost-sharing anymore.

And it is wrong to say to States, and counties, and cities, it is your problem. We have washed our hands of its.

There are many things that are wrong with this bill. But what is done to Medicaid alone is enough to vote against it. What is done to Medicare alone is also enough to vote against it.

The health and security of America's seniors and children depend on what we do here today. Defeat this bill.

□ 1500

Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the gentleman from Illinois [Mr. EWING], the distinguished chairman of the Subcommittee on Risk Management and Speciality Crops.

(Mr. EWING asked and was given permission to revise and extend his remarks.)

Mr. EWING. Mr. Chairman, ladies and gentlemen, I have been concerned, listening to the debate here today, the criticism of the process followed by the Committee on Agriculture.

In fact, in many ways it was not the majority party's problem. We went through the process. We debated the issues. The Democrats were given an opportunity to put forth their substitute, and it failed. We came along with the substitute put forth by Republican Members, and it failed, and the one program that had the most votes was the one which is in this bill. This program is the Freedom to Farm Act.

The one that the Democrats voted for cut just as much money from agricultural programs as Freedom to Farm.

Let us not lose sight of the big picture. Our prior Congresses have been cutting agricultural spending for producers and putting it into social programs. We are going to continue that process of phasing out Big Government controls and regulations on agriculture, and it is going to go to deficit reduction.

This program is a good program. It meets the needs. It is important that it is passed with this bill.

Ms. ESHOO. Mr. Chairman, I yield 15 seconds to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, I would like to point out to the gentleman who just spoke, under this bill the State of Illinois will lose $3.5 billion in health care for the elderly and disabled, mostly nursing home care, which will have to be paid for by hard-working, middle-class families, and his vote will increase taxes for thousands of middle-class families at the same time.

Ms. ESHOO. Mr. Chairman, I yield 1½ minutes to the gentleman from Oregon [Mr. WYDEN].

(Mr. WYDEN asked and was given permission to revise and extend his remarks.)

Mr. WYDEN. Mr. Chairman and colleagues, I believe that there is a clear consensus in this body for bipartisan reform of the Medicaid Program, and clearly the States can play a critical role in reforming that essential program.

Five States have been the lead; five States have been a laboratory for change, and the tragedy today is that this bill will turn out the laboratory for change in our home State of Oregon. This bill means that a program that is serving more than 100,000 low-income people will have to be dismantled. This means that charity care is going to increase. This means our welfare rolls are going to increase.

I would note specifically in a letter I just received from Jean Thorne, who is our Governor's assistant on Federal health policy, that she believes that the level of funding involved in this bill is going to require the dismantling of the Oregon health plan. This is a tragedy. It is a tragedy for Oregonians. But it is a tragedy for our Nation because we need bipartisan Medicaid reform, Medicaid reform that stresses prevention, holds down costs through health maintenance organizations, and this plan does it.

Let us reject this bill. Let us not turn out the lights on the laboratories for health care change in America like in my home State of Oregon.

Mr. Chairman, I believe that there is a very strong, bipartisan consensus in this House to fix Medicaid—and to fix Medicaid in some very fundamental and tough-minded ways.

And I believe that the State can play a very important role in this matter as our laboratories for change and innovation.

This bill, unfortunately, turns out the lights on those laboratories for change by eliminating waivers for these experiments in five States including my home State of Oregon.

This is bad medicine for Oregonians, and no remedy for the beleagured Federal taxpayer.

This is the last thing we should be doing. It is unwise because it will remove health care coverage from thousands of our fellow citizens, it will hog-tag States that already have undergone significant reforms, and it ultimately will cost tax payers far more dollars than you are attempting to save in this reconciliation package.

This bill sends us marching backwards, dooming States that have had the political guts to reform, back into the bad old days of public welfare programs.

Oregon is one of the States that has lead the way toward a century Medicaid Program, and our waiver plan has full, bipartisan support within our congressional delegation. It has that support because in the last 16 months: Oregon has enrolled 130,000 working poor into managed care; reduced uncompensated, charity expense at hospitals by 30 percent; and has delivered a Medicaid Program which, per capita, is 10 percent less costly than the national average.

This bill even with the new provisions worked out by the speaker last night, dooms the Oregon health plan.

I have just received a letter from Jean Thorne, governor Kitzhaber's Federal policy director and the former manager of the state's Medicaid Program.

Here is what she has to say about the measure we are voting on, today, with regard to our health plan.

Short-term, she says that while additional moneys inserted into this bill last night will alleviate some of the problems in the first year, we will likely need to take actions limiting the program before the end of the 1996 fiscal year.

After that, according to Thorne's letter, the package will cause the Oregon plan to plummet as if from a cliff.

She says the 7 year loss from this measure "is still almost $2 billion."

> It is likely that such a level of funding loss will require us to dismantle the Health Plan. If this were to happen, it would mean that approximately 130,000 low-income Oregonians would no longer have Medicaid coverage. These are people who are primarily families with children.

My colleagues, and particularly my colleagues within the Oregon delegation, make no mistake, this will kill the Oregon health plan as we know it.

I suspect, after speaking with State officials this morning, that this will force a special session of our State legislature early next year to revamp the Oregon plan.

This will mean fewer services covered, and fewer Oregonians under health care coverage.

One State official speculated that somewhere between 30,000 and 40,000 Oregonians—working poor—will have to be let out of their coverage in the next 15 to 20 months.

Mr. Chairman, I should point out that under this plan we have reduced the number of welfare recipient in the State by about 8 percent in the last year. We projected further decreases of about 12 percent over the next 2 years.

That projection, like health care coverage for some tens of thousands of Oregonians, is now out the window as well.

We will see our welfare rolls, and our welfare costs, grow because of the loss of this waiver.

Mr. Chairman, as I said we have worked cooperatively in our delegation to try to get this issue turned around, and I want to especially commend the work of my colleague, JIM BUNN.

But we have no remedy in what is proposed, today.

This language is a prescription for higher public costs, higher costs to hospitals which will be shifted to other consumers, and the loss of decent health coverage for many, many of my fellow Oregonians.

I urge my colleagues to reject this measure.

STATE CAPITOL,
Salem, OR, October 26, 1995.

To: Congressman Ron Wyden.

From: Jean I. Thorne, Federal Policy Coordinator.

Subject: Amendment to House Medicaid Bill.

In reviewing the special adjustment made for Oregon in the House bill, I believe it helps alleviate the need to take immediate action to possibly dismantle the Oregon Health Plan, but it does not change the long-term outlook for the Plan.

As I read the language included in the bill, it provides a one-time allotment to Oregon of an additional $155 million in fiscal year 1996, but does not change the allotments in subsequent years. The amount of funding provided in 1996 basically would equal the amount spent in 1995 plus an inflation factor of 7.24%. We are anticipating approximately 9% growth in Oregon's Medicaid expenditures between fiscal years 1995 and 1996, so although this additional amount of funding will alleviate much of the immediate problem, we will likely need to take actions before the end of the fiscal year to trim back the Health Plan and other areas of Medicaid, such as long-term care services. By fiscal year 1997, more drastic actions will be necessary, although it is unknown at this point whether a special legislative session prior to the regular 1997 session would be necessary.

Clearly, beginning with 1997 we face the same problems as in the original House bill. The seven-year anticipated loss with this change is still almost $2 billion, as opposed to $2.1 billion. It is likely that such a level of funding loss will require us to dismantle the Health Plan. If this were to happen, it would mean that approximately 130,000 low-income Oregonians would no longer have Medicaid coverage. These are people who are primarily families with children. Since the beginning of the Health Plan in February 1994, we have increased the number of Oregonians with Medicaid coverage by almost 50%. We currently have over 75% of all Medicaid enrollees receiving services through prepaid health plans. The amount of funds hospitals spend on charity care has decreased by over 30%. Our welfare caseloads have declined by 8%, with another 12% decline anticipated in the current two-year budget period. At the same time, our spending per beneficiary is more than 10% below the national average. Our ability to ''squeeze'' additional savings out of the program is severely limited. If the Oregon Health Plan were to be dismantled, we would face the prospects of actually going backwards from the gains we have made—less people covered, less people in managed care, more costs shifted to other payers and welfare caseloads increasing.

We deeply appreciate the work of Congressman Bunn in getting this issue before Congress, but we recognize that it is only a first step. Our hopes are that we can secure an exemption for states with operating Section 1115 waivers to continue under the funding terms of the waiver, allowing us to prove that our demonstration programs can improve the health of poor persons in a cost-efficient manner.

JOHN A. KITZHABER,
Governor.

Mr. SHAYS. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Florida [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, I am anxious to hear the speeches when people stop buying treasury bills because our debt has grown so large that people are no longer interested in taking the risk.

This bill brings us to reality. It will reduce the cost of real interest payments.

On the farm bill, they say it was done in the dark of night. We had 10,000 farmers at 19 field hearings from California to New York to Florida, talking about reforming agriculture. Now, one group says we have done too much to agriculture and we are hurting rural America. My God, I live in rural America. I respect rural America. They asked me, MARK FOLEY, to make changes in the agriculture policy of this Nation.

So I stand here proudly to support the Freedom To Farm Act. We will unshackle agriculture. We will allow them to become productive. We will feed America's families. We will save us tremendous interest costs around this Nation and make our farmers proud to be Americans once again, which they are today.

Let us not hear the rhetoric that this bill is bad for America, because when the final numbers are in, when we save our children's future, when we save the bankruptcy of this Nation, when we make our people proud of this country once again, the numbers and the votes and the sentiment of America will be with us.

Ms. ESHOO. Mr. Chairman, I yield 15 seconds to the gentleman from Illinois [Mr. RUSH].

Mr. RUSH. Mr. Chairman, I would like to point out to the gentleman who just spoke that under this bill the State of Florida will lose $5.9 billion in health care for the elderly and the disabled. Most of this is coming from nursing home care which would have to be paid for by hard-working middle-class families.

Ms. ESHOO. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, now I get it. Now I understand why the Gingrich majority believes this bill is good for middle-class America.

The gentleman from North Carolina [Mr. HEINEMAN] recently noted those with incomes between $300,000 and $750,000 a year are middle class. I get it: The middle class that this reconciliation bill will help has an income of $300,000 a year.

The Gingrich plan cuts Medicare to give tax breaks to people making one-half of a million a year. Why? Well, Speaker GINGRICH told an extremist group of supporters of his, ''We don't get rid of Medicare in round one, because we don't think that would be politically smart. We don't think that is the right way to go through a transition. We believe it is going to wither on the vine because we think people are voluntarily going to leave it.''

Shame on them, cutting Medicare, trying to destroy Medicare to give a tax break to people making one-half of a million a year.

Mr. KASICH. Mr. Chairman I yield 1 minute to the distinguished gentleman from Iowa [Mr. LATHAM].

(Mr. LATHAM asked and was given permission to revise and extend his remarks.)

Mr. LATHAM. Mr. Chairman, I think it is interesting when you talk about agricultural policy and not having hearings, we had 19 hearings concerning the Freedom to Farm Act and getting ideas from farmers themselves. One gentleman who spoke earlier admitted during the committee hearing, on the Democrat side, that he had never attended any of these hearings.

I think it is kind of interesting, I am sure he must have been listening to bureaucrats here in Washington, but the thing they told, the farmers told us, they want flexibility, they want a safety net, and they want relief from regulations that are strangling agriculture today.

One important thing to remember, when we actually get to a balanced budget, it is going to lower interest costs by 1.2 to 2 percent, and when you look at agriculture that is borrowing $141 billion a year, over 7 years, that more than makes up for any reduction in farm spending, and under the bill that is in our reconciliation act, there is more disposable net farm income than even existing law would be.

Ms. ESHOO. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Illinois [Mrs. COLLINS].

(Mrs. COLLINS of Illinois asked and was given permission to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Chairman, I would like to point out that the gentleman who just spoke, under this bill, the State of Iowa will lose $590 million in health care for the elderly and disabled, and most of this is nursing home care which will have to be paid for by their hard-working middle-class families.

Mr. Chairman, maybe Speaker GINGRICH is planning to save his book royalties to pay for his hospital, doctor, and nursing home bill if he ever needs it, but most older Americans don't have that luxury.

This bill delivers a knock-out punch to middle-income families, and I don't mean those middle-income families defined by Congressman HEINEMAN as

making $300,000 to $750,000 a year. Not only does it cut student loans their children will need for college, but it is also going to force them to pay for much of the health care their parents now receive under Medicare and Medicaid. Talk about taking the care out of health care; that's a double whammy.

BOB DOLE yesterday proudly proclaimed that he voted against Medicare when it was created in 1965 because, and I quote, ''we knew it wouldn't work.''

Well Senator, let me tell you: You couldn't be more wrong—Medicare works. When Medicare was signed into law by President Johnson, nearly 30 percent of senior citizens lived below the poverty line and half of all senior citizens had no health insurance. Today barely 12 percent live in poverty and an astounding 99.1 percent have health insurance coverage.

The Republican leadership sure has a knack for revising history.

The Gingrich Medicare plan will force the elderly and their children to pick up the tab for $270 billion in payments for doctors, hospitals, medical equipment such as wheel chairs, and drugs that Medicare now covers. Adding insult to injury, it is the elderly and their middle-class sons and daughters who will not benefit from the huge tax break these health care cuts are intended to give to people earning more than $100,000 a year.

In fact, while the Republican tax plan gives a $14,000 tax break to a wealthy family with an income over $350,000, it actually raises taxes by more than $600 for middle-income families with incomes below $50,000.

Just listen to what the Speaker wants to take away from elderly and middle-class Americans to pay for his tax cut.

First, Speaker GINGRICH will cause hospitals in the Chicago metropolitan area to lose more than $2.8 billion. The city of Chicago, alone, will lose $1.3 billion; almost half that amount, $699 million, will be lost by the 11 hospitals in my congressional district.

Cuts of this magnitude will force these hospitals to sharply reduce the number of patients they can serve.

If the Speaker were on the floor, I'd say to him: Mr. Speaker, is your tax break for the wealthy worth the risk that thousands in the Chicago metropolitan area may be denied a hospital bed?

Second, under the Speaker's Medicare bill, each of Illinois' 1.6 million Medicare recipients will see their health care costs rise by at least $3.500.

Mr. Chairman, where is the fairness in a proposal that pays for a $14,000 tax break for the wealthy by forcing the elderly to pay $3,500 more than they currently pay for health care?

Third, Mr. GINGRICH's Medicaid proposal will lead to the termination of nursing home care for an estimated 350,000 people simply to pay for his crown jewel of a tax cut for the rich. Meanwhile, seniors will be asked to pay the jeweler.

Fourth, the Speaker will cut payments for more than 60 percent of all the Illinois elderly who enter nursing homes. With the Speaker's blessing, no elderly or disabled individual will be guaranteed coverage for any benefit, including nursing home care.

Mr. Chairman, is giving a tax break to wealthy Americans really worth denying nursing home care each year to 50,000 sick and aged folk who live in my State?

Is it really worth denying long-term care for 96,000 elderly and disabled in my State? That's 49 percent of all those currently receiving such services.

Mr. Chairman, as my constituent, Irene Nelson, a senior citizen from Chicago, testified at the Democratic alternative Medicare hearings, and I quote, ''It is obvious to me that the people who are making these decisions are completely out of touch with the daily struggles of senior citizens like me.''

I beg of you, my colleagues: Please don't do this to your parents and to our Nation's elderly citizens. Find it in your heart to vote against the Speaker's changes that make Medicare and Medicaid into medican't.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. HILLEARY].

(Mr. HILLEARY asked and was given permission to revise and extend his remarks.)

Mr. HILLEARY. Mr. Chairman, I rise in proud support of this historic legislation.

Mr. Chairman, I proudly rise in support of this historic legislation, H.R. 2491, the Seven-Year Balanced Budget Reconciliation Act of 1995. This legislation keeps the promises I made to the people of the Fourth district of Tennessee.

This bill balances the Federal budget in 7 years, provides genuine welfare reform, preserves Medicare for our elderly now and in the future, and provides real tax relief for middle-class families.

I am confident that the changes we are making here today will lead to lower interest rates and growth.

Not growth in the Federal bureaucracy, but growth in the private economy creating more jobs for the people of Tennessee.

History has shown us over and over again that raising taxes hurts economic growth and never raises as much money as promised. In fact, this morning in the Wall Street Journal, former Chairman of the President's Council of Economic Advisers, Martin Feldstein, wrote an article showing that President Clinton's income tax increase in 1993 failed to raise the money he claimed. He writes that the IRS has recently published data showing that the steep increase in the tax rates raised only about one-third of the amount of money that President Clinton had predicted.

For the families of my district in Tennessee, they will see real tax relief. The $500-per-child tax credit means that families with children earning less than $25,000 will no longer pay Federal income tax. Families making $30,000 will see their Federal income tax bill cut almost in half. Furthermore, lowering the capital gains tax will mean more economic growth and more jobs for the people in Tennessee.

Unlike past efforts of Congress to balance the budget, H.R. 2491 doesn't rely on accounting tricks or gimmicks. It makes real cuts.

All of us in this Chamber, everyone in Tennessee and throughout the country has benefited over the years from the Federal Government's overspending.

But this overspending has a devastating impact on our young who are the future of our country. Right now, a child born today will pay an average of $187,000 in taxes over a lifetime just to pay the interest on the debt. This irresponsibility in the Federal Government can't continue. It must stop. We can't continue to do this to our children.

Cutting out programs many people have become comfortable with is not a job any of us cherish or enjoy. I can assure everyone that making these cuts was not easy, but I can say that they are fair.

Is this legislation perfect?

I will be the first to admit that it is not a perfect bill. It's no secret that I personally believe that we can and should balance the budget in less than 7 years.

Did we cut out only the wasteful programs and leave only the good ones?

No, I think there is still plenty more that can be cut and we may have made some errors where we cut. Some of these errors can and will be corrected as the legislative process continues. Other problems we may have to address with corrective legislation next year.

One of the problems we identified was in the funding formula for the new Medigrant Program. Under the House version of the Medicaid bill which uses 1994 as the base year for Medicaid payments, Tennessee was in fact being penalized for pioneering a State run Medicare/Medicaid Program.

Under TennCare, Tennessee had paid out an extra $180 million to its Medicaid recipients that was not included in fiscal year 1994. This short fall was a result of an entire 3 months of payments that the Federal Government had not included in its equation because of accounting differences between them and the State of Tennessee.

Mr. Chairman, I am encouraged by the willingness of the Speaker to work with the Members of Tennessee on the Medigrant funding levels. The Speaker acknowledged a discrepancy between the State of Tennessee's 1994 Medicaid funding and the numbers used by the Federal Government.

I thank the Speaker for his understanding of this problem and his support for putting an extra $180 million into TennCare's 1996 funding level to insure that no harm would come to Tennessee's Medicaid recipients.

Furthermore, I extend my appreciation to the Speaker for his commitment to continue negotiations as this legislation continues through this process to ensure that Tennesseans receive their fair share of funding for the TennCare Program.

I believe we can work out these final problems before the conference report is brought back to the House.

Mr. Chairman, we need to move forward this historic legislation to change the direction of the Government.

I proudly support this bill and urge all of my colleagues to vote for H.R. 2491.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia [Mr. GOODLATTE].

(Mr. GOODLATTE asked and was given permission to revise and extend his remarks.)

Mr. GOODLATTE. Mr. Chairman, I rise in strong support of this vitally important legislation for the future of our country.

Today we are keeping our promise to America for a better future, and fulfilling the people's mandate for change. No more excuses,

no more Washington gimmicks. It's time to do the right think—it's time to balance the budget.

Passing this budget reconciliation bill will bring more change to the way Washington operates than any other legislation in the last half century. It eliminates deficits over the next 7 years and does it honestly and fairly. And in doing so, it eases the crushing burden of Federal debt on our children.

A balanced budget is more than just an accounting trick. Balancing the budget will lower interest rates which will mean lower mortgage rates, lower car loan costs, lower rates on student loans, and more jobs.

For instance, according to DRI-McGraw/Hill, an independent economic consulting firm, fixed rate mortgages would drop by 2.7 percentage points and adjustable rate mortgages would drop by 1.7 percentage points by 2002. This would boost home values by 8 percent, existing home sales by 11.5 percent, and housing starts by 65,000 each year.

With this bill we keep other promises such as bringing real reform to the welfare system. It breaks the cycle of dependency, and emphasizes work, personal responsibility, and the preservation of the family. It shifts power and resources back to the States and slices away government bureaucracy.

The bill includes Medicare provisions, passed earlier this year, which preserve, protect, and strengthen Medicare. It saves Medicare from bankruptcy while still increasing spending on this important health care program. It's security for our seniors who have planned for their retirements with the hope that Medicare will be there. And it's security for baby-boomers who know we are committed to a sound Medicare system when they retire.

We deliver on our promise of tax relief for America's families and a cut in the capital gains tax to spur job creation and economic growth. According to the Joint Economic Committee, a $500 per-child family tax credit means families with children earning less than $25,000 will see their entire Federal income tax liability eliminated. Families with incomes of $30,000 will have 48 percent of their Federal income tax liability eliminated.

And capital gains tax relief means jobs and economic growth. Investment will not happen without capital, and capital will not be freed up without tax relief. Economic growth and more jobs means more tax revenue.

Despite what our critics say, we can balance the budget and still give relief to our hardworking and overburdened taxpayers. And one thing we know for sure, increasing taxes has not produced balanced budgets.

The American people want a smaller, more efficient government, but Washington has failed to deliver until now. With this bill we begin slimming an overweight Federal bureaucracy by eliminating an entire Cabinet-level agency—the Commerce Department.

The budget reconciliation bill is the right thing for America and America's families. We keep our word and balance the budget. Most important, we save the future of the American dream for our children.

Mr. KASICH. Mr. Chairman, I yield 2½ minutes to the very distinguished gentlewoman from Connecticut [Mrs. JOHNSON].

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Mrs. JOHNSON of Connecticut. Mr. Chairman, what we are doing here today is passing the components of a program that over 7 years will balance this Nation's budget, but also put in place a tax policy that will assure that the jobs will be created that people need for their own security and that our Nation needs, to enjoy a level of economic growth that will make that balance possible.

This overall bill also addresses many problems. It is the first time we have tried to put in place a policy that would protect people of all ages from the catastrophic cost of nursing home care. If we do not start now, we cannot succeed for future generations.

But also within this bill are many, many detailed provisions that the public does not know about, but that will directly affect their lives. In the Taxpayer Bill of Rights section, a section that is bipartisan, that was developed in a bipartisan way, has bipartisan support, this bill builds on the work of the Hon. Jake Pickle of Texas, who spent many years trying to get this very legislation passed. I am proud not only have we adopted his work, but we have gone beyond it. Because through the Taxpayer Bill of Rights, we make the taxpayer now not a David who meets Goliath, but an equal who has an opportunity to be heard by the IRS, to have a fair shot at paying only their fair share of taxes.

For the first time, this Taxpayer Bill of Rights will begin to look at the terrible and bad breaks that so many couples who are separated and divorced get when dealing with the IRS. For the first time we ask the IRS, for the first time in all of our history, to come back to us every year with the 20 most important problems that taxpayers face. For the very first time the IRS will have the responsibility for their taxpayer advocates to actually tell the Congress what are the 20 most serious problems the people face in dealing with their Government, and then we will be able to change those things. We do not allow for their suggestions to go through the IRS or the Department of the Treasury. They must come directly to us so that they cannot be filtered.

We do many, many things in this bill to protect taxpayers from IRS actions and to put taxpayers on an equal footing with their Government.

Mr. Chairman, I urge support of this legislation.

Mr. Chairman, I want to draw our colleagues' attention to some very important provisions in the Ways and Means Committee title of H.R. 2517 which collectively are known as the Taxpayer Bill of Rights 2.

For taxpayers who go up against the Internal Revenue Service, it is too often a David vs. Goliath contest. The IRS is Goliath and the taxpayer is David. The Ways and Means Committee title includes the recommendations developed by the Subcommittee on Oversight to increase the rights of taxpayers in dealing with the IRS. The campaign to safeguard taxpayer rights has a long history. The Taxpayer Bill of Rights 2 portion of title XIII will establish a new milestone in protecting taxpayers. Like the David in biblical history, the average taxpayer may be smaller than the rival IRS, but we are giving him some strong weapons with which to defend himself.

The original Taxpayer Bill of Rights was enacted in 1988. While this action was a good first step, there was a consensus that more could be done to protect the rights of taxpayers. The Oversight Subcommittee developed follow-up legislation during the 102d Congress, but regrettably it did not become law.

One of the early priorities of the Oversight Subcommittee in the 104th Congress was to protect the rights of taxpayers in dealing with the IRS. Despite the helpful effects of the 1988 legislation, the chorus of constituent complaints against the IRS convinced us that further action was needed. On March 24, 1995, the Subcommittee on Oversight held a hearing to investigate what additional safeguards were apprporiate to provide taxpayers more evenhanded treatment in their dealings with the IRS. The hearing opened our eyes to the many areas in which we need to act in order to protect taxpayers.

For example, we learned of cases where the IRS began auditing a taxpayer's return and then the IRS employee conducting the audit was transferred to a new division, and the return sat for another year or two before the audit was completed. Under current law, the IRS has no authority to abate the interest which runs up during this period. The bill addresses this problem by giving the IRS authority to abate interest charges that accrue as a result of unreasonable delays caused by the IRS's own mistakes.

The bill will also make it easier for taxpayers who win their cases against the IRS in court to collect attorney's fees. Under current law, not only does a taxpayer have to prevail against the IRS to collect attorney's fees, she must also prove that the IRS was not justified in pressing its case against her. Our bill would shift the burden to the IRS of proving that its position was substantially justified. This is consistent with the judicial principle that the party in control of the facts should bear the burden of proof.

Another major problem area is the treatment of separated or divorced taxpayers. Under current law, couples who file a joint tax return are each fully responsible for the accuracy of the return and for the full tax liability, even though only one spouse may have earned the income which is shown on the return. This is called joint and several liability. Spouses who wish to avoid joint and several liability may file as a married person filing separately.

The Oversight Subcommittee learned of many instances where divorced taxpayers who signed a joint tax return during their former marriage were treated harshly when the IRS later disputed the accuracy of the return. Far too often, the IRS tried to collect the entire amount due from the wife, even though the omitted income or erroneous deductions which caused the tax deficiency were attributable solely to her former husband. In some cases, the person pursued for payment of the taxes due was not even aware that a tax return filed during the marriage had been audited or the additional taxes were due.

In an era where almost 50 percent of marriages end in divorce, this problem is contributing to the perception that the tax system is unfair. The time has come to reexamine the

joint and several liability standard and to consider replacing it with a proportionate liability standard, under which each spouse would be responsible for the tax on that portion of their income which he or she earned. In order to fully consider the ramifications of such a change, our bill requires the Treasury Department and the General Accounting Office to conduct detailed studies examining possible changes to the joint and several liability standard designed to better protect the interests of separated and divorced couples. This is an area that we definitely intend to revisit after the studies are complete.

The Subcommittee on Oversight met on September 12, 1995, and unanimously approved a package of recommendations to address the taxpayer problems which we had identified from our hearing and from the numerous communications we had received from taxpayers. The recommendations for a Taxpayer Bill of Rights 2 were introduced on September 14, 1995, as H.R. 2337. The full Committee on Ways and Means included in its reconciliation title a Taxpayer Bill of Rights 2 subtitle which is virtually identical to the work product of the Subcommittee on Oversight.

I am gratified at our action for two reasons. First, we have acted forcefully to protect the rights of taxpayers in dealing with the IRS. Second, the subcommittee's action was bipartisan, it was strongly supported by Members of both parties. I hope this will set the example for all the activities of the Oversight Subcommittee.

Mr. Chairman, the Nation's taxpayers probably will never enjoy paying their taxes, but they should not feel powerless in dealing with the IRS. The taxpayer Bill of Rights 2 will help to better safeguard the rights of taxpayers. Until Congress implements fundamental reforms of the tax system, the next best approach is to make the current system operate in a way which treats taxpayers more fairly.

Finally, the following is a brief outline of the Taxpayer Bill of Rights two provisions which are included in title XIII of H.R. 2517:

1. Creation of Independent Taxpayer Advocate. (a) Statutorily establish the position and office of the Taxpayer Advocate within the Internal Revenue Service (IRS); (b) require the IRS to make annual reports to the tax-writing committees describing the 20 most serious problems taxpayers encounter when dealing with the IRS, along with the Taxpayer Advocate's recommendations for administrative and legislative actions to resolve such problems; and (c) require the IRS to provide that regional problem resolution officers will actively participate in the selection and evaluation of local problem resolution officers.

2. Expand Taxpayer Assistance Order (TAO) Authority. Provide the Taxpayer Advocate with broader authority to intervene on behalf of taxpayers.

3. Authority to Review a TAO. Provide that a TAO may be modified or overturned only by the Commissioner, Deputy Commissioner, Taxpayer Advocate, or Regional Problem Resolution Officer, and require a written explanation for modifications or reversals of TAOs.

4. Improved Notification of Installment Agreement Changes. (a) Require the IRS to notify taxpayers 30 days before modifying or terminating installment agreements (except in jeopardy cases) and to include in such notification the specific reasons for the action taken; and (b) require the IRS to establish an administrative appeals process in the case of modifications or terminations of installment agreements.

5. Expand Abatement-of-Interest Authority. (a) Provide the IRS with expanded authority to abate interest resulting from erroneous or dilatory ''managerial acts'' (e.g., for cases where the assessment or collection of a deficiency has been unreasonably delayed as a result of IRS's loss of tax records, or IRS personnel management decisions, including the termination, transfer, training, and the granting of leave for any reason to IRS employees responsible for the handling of the taxpayer's case); and (b) give the U.S. Tax Court the jurisdiction to review the IRS's failure to abate interest on an abuse of discretion standard for taxpayers who meet the net worth criteria of section 7430.

6. Extend Interest-Free Period for Remitting Tax. Extend the interest-free period provided to taxpayers for the payment of tax liability reflected in the first notice from 10 days to 21 days, if the total tax liability shown on the notice of deficiency is less than $100,000.

7. Study of the ''Joint and Several'' Liability Standard. Require the Treasury Department and the General Accounting Office to conduct studies, to be submitted to the tax-writing committees within six months of the date of enactment, analyzing: (a) the effects of changing the current standard of ''joint and several'' liability for married couples to a ''proportionate'' liability standard; (b) the effects of requiring the IRS to be bound by the terms of a divorce decree which directly addresses the responsibility for the tax liability arising from joint tax returns filed during the former couple's marriage; (c) proposals for expanding the ''innocent spouse'' relief of IRC section 6013; and (d) the effects of overturning the application of *Poe* v. *Seaborn* for income tax purposes in community property states.

8. Election to File Joint Return Without Making Full Payment. Repeal the provision that requires full payment of tax liabilities as a precondition to taxpayers switching from married-filing-separate status to married-filing-jointly status.

9. Improved Treatment of Separated or Divorced Spouses. Upon written request, require the IRS to inform either spouse as to whether the IRS is making any attempt to collect the tax liability from the other spouse; the general nature of the collection effort; and, the amount collected.

10. Authority to Withdraw Notice of IRS Liens. Provide the IRS with authority to withdraw a public notice of tax lien prior to payment in full by the indebted taxpayer when it is ''. . . in the best interest of the taxpayer and the Government'' and require that in the case of an erroneous lien, upon taxpayer request, the IRS must make reasonable efforts to notify major credit agencies and financial institutions of the erroneous filing of the lien.

11. Authority to Return Levied Property. Provide the IRS with authority to return the proceeds of levies, without prejudice against future reinstatement of the levy, if it is ''. . . in the best interest of the taxpayer and the Government.''

12. Increase the Protections of Taxpayers from IRS Levy Actions. Increase the exemption level on fuel, furniture and personal effects to $2,500, and index it thereafter for inflation.

13. Offers-in-Compromise. Provide that offers-in-compromise which reduce tax liabilities by less than $100,000 do not require a written opinion from the Office of the Chief Counsel. Offers in compromise which would reduce tax liabilities by $100,000 or more would continue to be subject to approval by a written opinion from the Office of the Chief Counsel.

14. Civil Damages for Fraudulent Filing of Information Returns. Create a federal cause of action for a person who has been victimized by a willfully filed fraudulent information return to recover the greater of $5,000 or actual damages from the person(s) who filed the fraudulent information return.

15. IRS Responsibility to Verify Accuracy of Information Returns. In cases where a taxpayer asserts reasonable dispute about the accuracy of an information return, the IRS would be required to take reasonable steps to investigate the accuracy of the information return and would bear the burden of producing reasonable and probative information to corroborate the return. The reasonable steps which the IRS must take to corroborate the disputed information return would vary in response to the facts and circumstances of each case. The objective is to meet the standard outlined in Portillo v. Commissioner, 932 F.2d 1128 (1991).

16. Expansion of Attorney-Fees Provisions. (a) In cases where a taxpayer substantially prevails over the IRS in a tax dispute, switch the burden of proof from the taxpayer to the IRS to establish that the IRS was substantially justified in maintaining its position against the taxpayer; (b) increase the hourly rate of the attorney fees eligible for reimbursement from the current rate of $75 to $110, and index this amount after 1996; (c) clarify that the taxpayer's failure to extend the statute of limitations shall not be considered to be a failure to exhaust the administrative process; and (d) repeal the current prohibition which denies the reimbursement of attorney fees in some court actions for a declaratory judgement.

17. Taxpayer Reliance on IRS Guidance. In determining whether or not the IRS was ''substantially justified'' in maintaining its position against the taxpayer, the fact that IRS employees did not follow its own published guidance (e.g., revenue rulings, revenue procedures, and information releases) in examining the taxpayer, will create a rebuttable presumption that the IRS's position was not substantially justified for the purpose of applying section 7430.

18. Increased Damage Awards to Taxpayers Harmed by Reckless IRS Collection Actions. (a) Increase the ceiling on damages to $1 million; and (b) give the courts discretion to reduce a damage award because of the taxpayer's failure to exhaust the administrative remedies in the collection process, rather than a mandatory denial.

19. Modification of the Penalty to Collect and Remit Payroll Taxes. (a) Require the IRS to issue a preliminary notice 60 days in advance of any demand for payment of the 100-percent penalty imposed by section 6672, except in jeopardy cases; (b) in cases where the IRS is seeking to hold a person responsible for payroll taxes under section 6672, the IRS would be required to share with such person the identities of other persons who the IRS also asserts are responsible for the taxes and the collection activities which it has pursued against those persons; (c) create a federal cause of action for a person who may be held liable for the collection of tax under section 6672 to seek contribution from other persons who have a similar liability under the law, but who have not yet contributed their proportionate share of the liability for the collection of the tax. The ''responsible person'' seeking a contribution would proceed by bringing an independent action against the third parties; and (d) provide that the IRS will not impose the 100-percent penalty under section 6672 on unpaid, volunteer trustees or directors of tax-exempt organizations if such persons serve solely in an honorary capacity, do not participate in the day-to-day or financial operations of the

organization, and do not have actual knowledge of the failure to remit payroll taxes to the IRS.

20. *Enrolled Agents as Third-Party Record Keepers.* Add ''enrolled agents'' to the list of third party record keepers to whom section 7609 applies.

21. *Safeguards Related to Designated Summons.* (a) Require that IRS regional counsel review any designated summons before it is issued against a taxpayer; (b) limit the issuance of a designated summons to taxpayers being audited as part of the IRS's Coordinated Exam Program (about 1,600 of the largest corporate taxpayers); (c) prohibit the IRS from issuing a designated summons for the purpose of third-party information gathering, except in circumstances where the taxpayer being examined has transferred its books or records to a third party; and (d) require the IRS to submit an annual report to Congress describing the designated summonses issued by the IRS during the preceding year.

22. *Relief from the Retroactive Application of IRS Regulations.* Provide that the effective date of any temporary, proposed, or final regulation shall not be before the earliest of:

(a) the date the regulation is filed in the Federal Register; (b) in the case of a final regulation, the date of the temporary or proposed regulation to which it relates was filed with the Federal Register; and (c) the date on which any notice substantially describing the expected contents of any temporary, proposed, or final regulation is issued to the public. However, this limitation will not apply: (a) where the regulations are issued within 12 months of the enactment of the statutory provision to which the regulation relates; (b) where the Secretary of the Treasury determines that the regulation should be retroactive in order to prevent abuse; (c) where the regulation is directed at correcting procedural defects in an earlier regulation; (d) where the regulation relates to the internal policies, practices, and procedures of the Treasury Department; (e) where the taxpayer elects to have the entire regulation apply retroactively, i.e, back to the date of the underlying statute; or (f) in cases where Congress grants authority to the Secretary to prescribe the effective date of a regulation.

23. *Report on IRS Pilot Program for the Appeal of Enforcement Actions.* Require the IRS to submit a report to the tax-writing committees, by March 1, 1996, about the scope and results of its pilot program for the appeal of enforcement actions, including lien, levy, and seizure actions, together with any recommendations for legislative actions which may be necessary to facilitate the implementation of a permanent process for appeals of such enforcement actions.

24. Phone Numbers of Payors on Form 1099. Require that the providers of information returns include the phone number of the payor's service representative on the form 1099.

25. Notification to Taxpayers of Overpayments. Require that the IRS make a reasonable attempt to notify, within 60 days, those taxpayers who have made payments which the IRS cannot properly post to the taxpayer's account.

26. Damage Claims for Taxpayers Injured When the IRS Uses Improper Informants. Create a civil cause of action allowing a taxpayer to sue the Government for the lesser of $500,000 or actual damages (plus costs) in cases where any Federal Government employee intentionally compromises the collection of any tax due from an attorney, accountant, or enrolled agent representing a taxpayer in exchange for information supplied by the taxpayer to such a professional for the purpose of obtaining tax advice.

27. Annual Reminders of Outstanding Tax Liabilities. Require the IRS to send out annual reminders to taxpayers with outstanding delinquent accounts that are not in active collection status.

28. Extension of Authority for IRS Undercover Operations. The Anti-Drug Abuse Act of 1988 exempted IRS undercover operations from certain statutory restrictions controlling the use of Government funds (which generally provide that all receipts be deposited in the general fund of the Treasury and all expenses be paid out of appropriated funds). This exemption expired on December 31, 1991. In general, the exemption permits the IRS to ''churn'' the income earned by an undercover operation to pay additional expenses incurred in the undercover operation. Extend the IRS ''churning'' authority to December 31, 2000.

29. Disclosure of Form 8300 Information on Cash Transactions. Amend IRC section 6050I to allow form 8300 information to be disclosed for either civil or criminal enforcement or regulatory purposes under the same rules applicable to Currency Transaction Reports. This would permit form 8300 information to be used at various levels of government to identify targets for investigation of possible nontax related crimes.

30. Simplified Disclosure Procedures. Amend IRC section 6103(c) to delete the word ''written'' from the requirement that ''written consent'' from the taxpayer is necessary for the disclosure of taxpayer information to a designated third party.

31. Study on Interest Netting. Require the Secretary of the Treasury to conduct a study of the manner in which the IRS has implemented Congress's directions regarding the netting of interest on overpayments and underpayments and the policy and adminstrative implications of global interest netting. Before submitting the report of such study, Treasury would be required to hold a public hearing on global interest netting to receive comments from interested parties. The record of these hearings should be included in the report.

EFFECT OF PROPOSED HOUSE WAYS AND MEANS COMMITTEE EITC REFORMS ON EITC SPENDING BASELINE

[Fiscal years 1995–2002]

[Millions of dollars]

	Fiscal year 1996	Fiscal year 1997	Fiscal year 1998	Fiscal year 1999	Fiscal year 2000	Fiscal year 2001	Fiscal year 2002	Total 1996–2002
EITC under present law	23,762	25,870	26,947	28,077	29,338	30,536	31,735	196,265
Budgets effects of proposed reforms	−160	−3,417	−3,603	−3,754	−3,940	−4,109	−4,268	−23,251
EITC under proposed reforms	23,602	22,453	23,341	24,323	25,398	26,427	27,467	[1] 173,011

[1] Totals do not add due to rounding. Estimates based on data from Joint Committee on Taxation.

Ms. ESHOO. Mr. Chairman, I yield 10 seconds to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, I would like to point out to the gentlewoman from Connecticut [Mrs. JOHNSON] that the State of Connecticut would lose $590 million in health care for the elderly and the disabled.

Ms. ESHOO. Mr. Chairman, I yield 1½ minutes to the gentleman from Illinois [Mr. RUSH].

Mr. RUSH. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, on Tuesday, I spent a good part of my morning at La Rabida Children's Hospital on Chicago's South Side. Similar to many other children's hospitals across the Nation, over half the children cared for at this fine institution rely on Medicaid.

I met many of these children on Tuesday. And I want to remind my colleges on the other side of the aisle that these children are not faceless statistics. They are human beings.

Like 10-year-old Tyronne, who has been coming to La Rabida for the last 9 years of treatment of severe asthma, sickle cell anemia, and scoliosis (sko-lee-osis).

When hospitals like La Rabida care for Tyronne, they do so at considerably greater cost than what it takes to care for adults. This is because of the wide array of equipment and supplies necessary to treat children of all ages and sizes.

Children's hospitals cannot shift costs to adult patients or, like some other hospitals, to commercial payers.

Mr. Speaker, children's hospitals are able to serve as an integral part of this Nation's approach to health care because of Federal funding provided to them via the Medicaid Program.

And the Newt Gingrich Republicans want to ignore this fact by passing the responsibility for basic health care services for children to the States—a responsibility, that many States cannot or do not want to bear.

The American people must take a long hard look at this so-called Gingrich Republican revolution, and see the wreckage left in its wake.

The Gingrich Republican meat ax will cut deep. It will cut to the bone. It will cut to the marrow.

It will cut the lifeline of many of our Nation's children. It will cut their access to basic health care.

Basic health care for our children is not a privilege, it is a fundamental right.

We must balance the budget, for our children, not on the backs of our children.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. HASTERT], the distinguished deputy whip.

Mr. FOX of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from Pennsylvania.

Mr. FOX of Pennsylvania. Mr. Chairman, I would like to engage the gentleman from Illinois; [Mr. HASTERT], the chief deputy whip and member of the Commerce Committee in a colloquy in order to clarify one of the Medicaid provisions in this bill. As an active member of health care, I am extremely concerned with the enormous problem of health care waste, fraud, and abuse that has riddled the program. The amount of such waste, fraud, and abuse perpetrated on taxpayers is staggering and must be eradicated.

It is my understanding that section 2123 would prohibit any State from using its Federal MediGrant funds for any purpose other than medical assistance for eligible beneficiaries. Is that correct?

Mr. HASTERT. The gentleman is correct. Section 2123 would prohibit the States from using any of the Federal funds provided by this act for any purpose other than providing benefits and administering the provisions of this act.

Mr. FOX of Pennsylvania. The reason I want to clarify this point is because we are all aware of the tremendous amount of waste, fraud, and abuse in the current Medicaid system. If the States are successful in exposing this waste and fraud, the residents from my State of Pennsylvania would like to know that these savings will be used to provide needed health care services—and not be diverted for some other unrelated purpose.

Mr. HASTERT. I think the gentleman raises a very important point. The public has every right to expect that the Federal funds Congress provides for health care services for the poor will in fact be used for health care. This bill gives them that assurance.

Mr. FOX of Pennsylvania. I thank the gentleman, again, for engaging in this discussion. I commend the gentleman, Chairman BLILEY, and the Commerce Committee for acknowledging the serious problem of waste, fraud, and abuse and for including these true reforms in the House budget reconciliation bill.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. CRANE], the chairman of the Subcommittee on Trade.

Mr. CRANE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I came to this body in 1969, and I reflected back when we got into this debate about counsel my father gave us as children. He passed away this summer at the age of 94, mercifully in his sleep without pain and suffering. He told us as kids, he said, ''Boys, you have two obligations in life: One is to be givers and not takers; and, two, leave it better than you found it.''

I wrote him a letter after we got into this process of trying to turn this country around before he died, and I said, ''Pop, you know, I was always able to be a giver, because I controlled that.'' But when I came here in 1969, our national debt was in the neighborhood of $385 billion. I knew that we were facing the prospect of a $5 trillion national debt this year. And I reflected back that in 1969 we had a budget surplus, a modest $3 billion, but, still, it was a surplus, and I thought we were going to engage in elimination of debt at that time. And I steadily watched this situation deteriorate.

Now, does this move fast enough in guaranteeing that we get our books in balance for our children and our grandchildren? No, not in my estimation. Does this provide us the kind of tax relief that is necessary to again revitalize our economy? No, not in my estimation. But it is a move in the right direction.

I think all of us have to share a responsibility, having participated in this process for all of these years, in creating a kind of a climate that, if it is not addressed in 7 years, is hardly salvaging anything, in 7 years to get us back on track.

This country still represents the world's last, best hope, and it is not just for our children and our grandchildren. We are talking posterity. And each one of us, when we raise our hand and are sworn in in this body, has the obligation to engage in that commitment.

Mr. Chairman, I would urge all of my colleagues, back off, take another look at this, because this is in the national interest. This is in the interest of mankind.

Mr. Chairman, I rise today in support of the budget reconciliation bill. While I have made separate remarks on other provisions in this package, as chairman of the Trade Subcommittee, I would like to point out some of the benefits of the trade provisions included in this bill. While these provisions have not been at the center of the debate on the reconciliation bill, they nonetheless provide important tools for U.S. business and industry in the global marketplace.

Included within the budget reconciliation package are a number of technical corrections to certain trade legislation and other miscellaneous trade provisions. Passage of these provisions will streamline implementation of the Customs Modernization Act, the Caribbean Basin Economic Recovery Act, the Andean Trade Preference Act, the Uruguay Round Agreements Act, the Harmonized Tariff Schedule, and the North American Free Trade Act. The administration and the business community have reviewed each of these provisions and concluded that they are noncontroversial.

The bill also includes an extension of the generalized system of preferences program [GSP] which expired on July 31, 1995. For over 20 years, the President has been authorized to grant tariff preferences to developing countries under GSP. Congress extended the program on a short-term basis in the 1993 budget reconciliation bill, and then again in the Uruguay Round Trade Agreements Act in 1994.

I support extension of GSP because it is a useful program for promoting increased trade with lesser developed countries. USTR can use GSP benefits effectively as a trade policy tool to achieve more open markets for U.S. exports. Testimony received by the Trade Subcommittee of the Committee on Ways and Means confirms that many U.S. businesses depend on duty-free treatment under GSP to help reduce costs.

H.R. 2491 extends authority for GSP for 2.5 years, to terminate on December 31, 1997. So that there will be no gap in duty-free treatment provided under the GSP Program, the bill would provide for refunds of any duty paid, upon request, between July 31, 1995, and the date of enactment. The recommendations lower the per capita GNP limit from $11,800 to $8,600, a number which would be indexed. When countries reach this limit, which is considered high income under the bill, the President is required to terminate the country's eligibility for GSP benefits.

H.R. 2491 would lower the competitive need limit in current law from $114 million in 1994 to $75 million in 1995 and increase it by $5 million each year after 1995. The bill would authorize the President to designate additional articles from the least developed beneficiary countries as eligible for GSP. This new authority does not apply to statutorily exempt articles such as textiles and footwear. Finally, the bill updates various provisions in order to simplify administration of the GSP Program.

Also, I would like to address the issue of trade adjustment assistance. The Committee on Ways and Means carefully examined not only trade adjustment assistance for workers and firms, but also adjustment assistance programs tailored to the implementation of the North American Free Trade Agreement. The committee's recommendations harmonize general trade adjustment assistance programs for workers with the NAFTA Workers Security Act programs.

I firmly believe that protectionism destroys jobs, while free trade creates jobs by increasing our competitiveness in the global marketplace. Nevertheless, we have extended both general and NAFTA-related trade adjustment assistance to reassure those workers uncertain about free trade.

NAFTA-related trade adjustment assistance for workers will be extended through September 30, 1998. General trade adjustment assistance will be extended through September 30, 2000. Our recommendations require workers to enter approved training programs to receive further cash benefits. The Secretary of Labor will be permitted to issue waivers of the training requirement only if training is not available. Our recommendations also terminate relocations allowances under both general TAA and NAFTA-related TAA. This will end a two-tiered system of haves and have-nots in which workers unemployed due to foreign competition are relocated at the expense of the Federal Government while those unemployed due to domestic competition are not eligible for such assistance.

The provisions included in the reconciliation bill reauthorize general trade adjustment assistance programs for firms through September, 2000, at which time these programs will terminate.

The budget reconciliation bill also dismantles and reorganizes the Commerce Department as part of the congressional effort to streamline Government, increase its efficiency,

and save taxpayer dollars. The legislation retains a number of trade-related functions that are aimed toward achieving gains for U.S. companies and places them within the U.S. Trade Representative. I strongly believe that we should preserve powerful tools in this way to negotiate initiatives that open foreign markets, encourage growth in U.S. exports, and fight foreign unfair trade practices. This effort will remove a Cabinet seat and streamline our Government, while at the same time preserving the functions that keep our U.S. companies competitive.

I would like to add a word here about consideration of H.R. 2371, the Trade Agreement Authority Act, which is not included in the reconciliation bill. This legislation would renew trade agreements negotiating and implementing authority for the administration—to so-called fast track authority. We tried very hard to come to an understanding with the administration concerning the content and form of this special procedure. However, the administration would not agree to our language and seems to be prepared to do without this authority.

I believe that fast track is extremely important if we are to continue to implement trade agreements that strengthen our economy, create good jobs, and reduce the deficit—including an agreement with Chile. However, the administration must recognize that fast track is a derogation of the rules of the Congress. As such, congressional concerns over the use of fast track for issues that are not directly related to trade must be taken into account if these special procedures are to be used by the administration in the future.

Ms. ESHOO. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, I thank the gentlewoman for yielding time.

Mr. Chairman, I would like to point out to the two gentlemen from Illinois that Illinois will lose $3.5 billion in health care under this bill.

I rise today to opposed this bill. Gosh, even Pat Buchanan says the Medicare cuts are to deep. I have heard the GOP being called the get old people party. Well, I think now, after this bill, it is going to be called the gut our protections party.

This bill treats Medicare as a piggy bank, to pay for a tax cut for the rich, and we did not get 1 day of hearing. This bill shuts down State efforts to reform health care, like the Oregon health plan. This bill eliminate protections for seniors, for children, for the environment, for students, while increasing Pentagon spending by $63 billion.

Look, I am a grandmother. I know what makes sense. This does not make sense. We should vote no. Let us not gut our protections; let us eliminate the GOP budget.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. SHAW], the distinguished chairman of the Subcommittee on Human Resources of the Committee on Ways and Means.

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, for the second time this year, the House will be asked to decide between the status quo and making real reforms to the failed welfare system.

Consider the millions of Americans now on welfare. History tells us that they came from farms, they came from all over this Nation and elsewhere in search of a better life for themselves and their families. They settled in the cities, they settled in the coal mines, and they were hard working because there was a strong work ethic.

Then the jobs went away. So when the jobs left the big cities and the mines closed, why did not the same people who were the children of those who came to the factories, who came to the cities seeking a better way of life, why did they not follow? Why did they not go where there were better jobs and better opportunities?

They did not because the Congress of the United States, this Government, put into place a welfare system that was corrupt and destructive—although thought to be kind and gentle. For generations now, we have seen this destructive welfare system stay in place and keep people where there are no jobs, a system that destroys self-esteem, destroys families, destroys the basic moral fiber that has held this Nation together. Now is the time to sweep this failed welfare system away.

One of my colleagues has said that, through our welfare reforms, the Republicans are coming for the poor and the children. Yes, we are. We are coming for them to pull them out of the life of dependency and poverty. We are sweeping away a destructive system, and we are putting in a system that can work.

For once, after we pass this bill, let us join together in a new meaning of the American spirit and solve the problems of poverty in this country, to give people back self-dignity, to discourage illegitimacy, to promote the family, and to promote the values that have made this country great.

Support real welfare reform; support the Republican reconciliation bill.

Ms. ESHOO. Mr. Chairman, I yield 15 seconds to the gentleman from Illinois [Mr. RUSH].

Mr. RUSH. Mr. Chairman, this bill is destructive to the people of Florida. I would like to point out to the gentleman from Florida who just spoke, that Florida will lose $5.9 billion in health care for the elderly and the disabled. Most of this is nursing home care which would have to be paid for by their hard-working middle-class families.

Ms. ESHOO. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Arkansas [Mrs. LINCOLN].

(Mrs. LINCOLN asked and was given permission to revise and extend her remarks.)

Mrs. LINCOLN. Mr. Chairman, I think all Americans across this Nation have called on us in Congress to do what is fair and reasonable to put our Nation back on track. We all here share a common goal in balancing the budget and eliminating the deficit in order to put our Nation back on track. But most Americans learn that you have to eat your vegetables first before you get your dessert, and that basically translates to we have got to cut our spending, our abuse, and our waste first.

There are two choices before us today: No. 1, to achieve the goal while squeezing senior citizens, farmers, children, and military retirees, or, No. 2, achieve the goal by requiring that every group of Americans give a little to make a contribution. If we were blindfolded as Members of the House of Representatives to all of the partisan politics that go on here, and asked to just base our decisions weighted on the merits of these two packages, we would not want to cut $100 billion more out of Medicare than is necessary to balance the budget. We would not want to cut $9 billion more out of agriculture than is necessary to balance the budget.

This does not allow veterans the health care choices that they want and deserve. It raises taxes on lower income Americans by $23 billion by removing the EITC. It cuts $10 billion more out of student loan programs than is necessary to balance the program. It does devastating things to rural America and the life we know there.

I just ask my colleagues to take a serious look at what is an honest and fair way of balancing this budget for the American people, and that is the coalition budget.

□ 1530

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Nevada [Mr. ENSIGN].

(Mr. ENSIGN asked and was given permission to revise and extend his remarks.)

Mr. ENSIGN. Mr. Chairman, I was raised by a single mother with no child support, and each and every day I saw her get up and go to work, a lesson that was taught to me that we have robbed from welfare families. This has lead to a generational dependency. There is nothing more important in America to learn than the work ethic. If we want people to get out of poverty, they have to work.

Our EITC program will preserve the incentive to go and get a job and stay off of welfare. In fact, when the EITC was created in 1975 total spending was about $2 billion. Today EITC spending is $20 billion. That is a tenfold increase. Under our plan, total EITC spending will continue to grow to about $27 billion.

Now, Mr. Chairman, I know some of our public schools are not that great these days, but even these schools know that this is addition, not subtraction. The American people know that spending more on something is not a cut. Only those who employ confusion and scare tactics fail to understand this lesson.

The last point I want to make, Mr. Chairman, is that some are calling this a tax increase because we happen to not be giving it to people with children. The last time I checked, when we give a subsidy to the American people and then happen to remove that subsidy, that is not a tax increase. That is something we are taking from one taxpayer, giving to the other, and then all of a sudden we decide we cannot afford to continue to give more and more of their money in taxes to other people and redistributing that.

Those on the left are calling this a tax increase. That is the mindset they have. That is how corrupt they are in their thinking.

Ms. ESHOO. Mr. Chairman, I yield 15 seconds to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, in response to the gentleman who just spoke, if we are not raising taxes then we did not need a budget waiver.

Let me quote Jack Kemp. This is a tax increase on low-income workers and the poor, which is unconscionable at this time. We eliminate the credit for working people who are without children. That is 4.3 million people and we increase the phaseout rate.

Ms. ESHOO. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Chairman, as Congress takes up the budget, the American public fears the Republicans plan to curb Medicare spending, scoffs at their tax cut and flatly does not believe that the plan would produce a balanced budget by 2002. That is from the latest New York Times CBS News poll that came out yesterday.

Mr. Chairman, I do not normally pay attention to polls, but this time the polls got it right and the American people got it right. The Republicans call this the Balanced Budget Reconciliation Act, but how do we begin balancing the budget by implementing such a large tax cut? We estimate that after 7 years the national debt will be at least $268 billion higher because of this tax cut that provides generous benefits for the wealthy. The legislation actually would raise taxes on taxpayers earning less than $30,000 a year.

Mr. Chairman, with all these tax cuts for the rich, and without a balanced budget, what are we getting in return? Well, essentially we are abolishing Medicare and Medicaid. The Speaker indicated in the quote earlier, Speaker GINGRICH, that it is not being abolished right away but eventually we will get rid of it.

For Medicaid recipients, for seniors, they are doubling the part B premium, increasing their taxes. They are imposing means testing. They are squeezing the hospitals so much that providers and other providers at hospitals will close or scale back their quality. And also seniors are going to lose their choice of doctors.

Medicaid is actually abolished in this. Instead, we have block grants going to the States without any strings attached, really. So there are no guarantees that poor people will get health care. Also, we lose the nursing home standards. So much money will be squeezed out of this system we can be sure those nursing homes are going to decrease in terms of the quality of care.

I went before the Committee on Rules and I asked that there be a guarantee for low-income seniors who no longer will have their part B premium for the doctors paid under this legislation. The Speaker said last week there was going to be that guarantee. There is no guarantee. The public is right, the poll is right. Medicare and Medicaid are essentially abolished and there will be no balanced budget.

Mr. KASICH. Mr. Chairman, I yield such time as she may consume to the distinguished gentlewoman from Kansas [Mrs. MEYERS].

(Mrs. MEYERS of Kansas asked and was given permission to revise and extend her remarks.)

Mrs. MEYERS of Kansas. Mr. Chairman, I rise in support of this balanced budget amendment.

Mr. Chairman, I agree with many of my colleagues who believe today is an historic day. I have served in the House of Representatives for a decade, and this is the very first opportunity I will have to vote for a balanced budget.

There is no question that in a bill this size, which makes changes in almost every department and agency of government, every Member will find provisions with which they disagree. There are some provisions in this legislation which I would prefer to see changed, or in some cases dropped. But I will support this legislation nevertheless, for three reasons:

First, we must preserve the Medicare Program from bankruptcy, and this legislation is a first step in slowing the rate of growth of the program. This legislation does not cut Medicare or Medicaid. It does slow the rate of growth in these programs. While increasing spending from $4,800 this year to $6,700 in 2002, per Medicare beneficiary.

I believe the changes we are making in these health programs will secure health care for the elderly and the poor well into the next century. But, in making these changes, we must ensure that people are not hurt by the changes—and so we must closely monitor these programs over the next several years to be certain that they are working as we envision.

Second, over the past several years, I have worked very hard to change our welfare system, and this bill contains the same provisions of legislation I authored in 1993. I believe our welfare system has failed the very people it was designed to help. Instead of moving people out of poverty and into well-paying jobs, it has trapped people by fostering illegitimacy, weakening families, and discouraging work. If we don't make changes in these programs, by the year 2000, 80 percent of majority children, and 40 percent of all children, will be born out of wedlock. Our concern is the children. The dollars are important, without a doubt, but the changes we are making today are for the children. We want our children to be born into caring families, to have fathers, to enjoy childhood, and to be able to pursue an education. This means that above all else, we must curb the illegitimacy rate and restore personal responsibility in a caring and compassionate way. And I think that is what we are doing in this bill.

Third, finally, I will support his bill today because we cannot afford to fail. This is our first step toward a balanced budget in 2002. If we don't do it now, we may not have another chance until it is too late.

This process will not get any easier; and may not get done at all if we fail the very first year we try—and we cannot afford to fail.

Mr. KASICH. Mr. Chairman, how much time is remaining on both sides?

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] has 11 minutes and 45 seconds, and the gentlewoman from California [Ms. ESHOO] has 13½ minutes remaining.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington. Mr. Chairman, I rise to address one of our country's greatest domestic problems, the Nation's illegitimacy rate. In 1940, the rate was well under 5 percent. Even 15 years ago, in 1980, the illegitimacy rate was only 15 percent. Today, 15 years later, it is doubled. It is 30 percent. It is a terrible revolution in birth patterns.

Mr. Chairman, the consequences of this explosion are staggering. Everyone, including the President, recognizes that the exploding illegitimacy rate is the Nation's most important domestic problem because it is the leading cause of school failure, crime, unemployment, and welfare dependency.

Why does illegitimacy lead to these problems? Consider these four facts: First, the poverty rate among children with never-married mothers is almost eight times that of children in two-parent families. Second, the odds of an out-of-wedlock child being on welfare are 10 times that of a child born into a two-parent family. Third, the odds of an out-of-wedlock child having a parent who does not work are six times greater than the odds for a child from a two-parent family. In fact, 40 percent of children born out of wedlock have no working role model parent in their lives. And fourth, the rate of school suspension among out-of-wedlock children is over three times as high as the rate of children from two-parent families.

Mr. Chairman, everybody realizes that illegitimacy is an outrage but only Republicans are proposing solutions that will effectively alleviate the problem. We get what we pay for, Mr. Chairman, and the Federal Government is now guaranteeing a package of benefits to teenaged children who have babies that adds up to $12,000 every year. By far, the most important action we can take to reduce illegitimacy and to stigmatize this most destructive behavior is to cut the cash subsidies.

The House Republican welfare reform bill is the only bill that deals with illegitimacy in this direct fashion. Only

Republicans have the courage to take the strong action necessary to combat the tragic scourge of illegitimacy. Unfortunately, Mr. Chairman, I do not see any other way to do it.

Ms. ESHOO. Mr. Chairman, I yield 10 seconds to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, I want to point out to the gentlewoman from Washington who just spoke that in her State her constituents will lose $2.36 billion in health care for the elderly and the disabled. That is really what I call guardians of the privileged.

Ms. ESHOO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, last Thursday night the Speaker stood in this well and charged me with misrepresenting the facts, with engaging in an absurd misrepresentation and allegation. He said, in fact, there is a provision in the Medigrant program that provides that senior citizens at the poverty level and below have all of their part B premium paid for by the taxpayers 100 percent.

Now, my hope was that when he spoke last Thursday night, he was going to include that in this reconciliation package. They have not. In fact, only 44 percent of all those poor seniors' Medicare part B premiums are going to be covered. They are not, in fact, protected at all 100 percent. Just the opposite is the case.

Mr. Chairman, back in the 1960's our political leaders asked us not what our country could do for us, but what we could do for our country. Well, in 1995, the Republican motto is ask not what our country can do for us, but ask what we can do for the country club. This is a contract with the country club. This takes money out of the pockets of senior elderly, out of students, piles it up, and then gives tens of billions of dollars of tax cuts to the wealthy in our country. The wealthy are not asked to sacrifice.

Mr. Chairman, back in the Civil War, because the wealthy could buy their way out of the war, they said it was a rich man's war but a poor man's fight. Well, here in this reconciliation battle in 1995, it is a rich man's war but it is a poor man's fight. The rich man get tremendous, tens of thousands of dollars in tax breaks, and the poor seniors have their Medicare premiums go up. The poor students and working class families have their student loan payments go up, and yet the Republicans stand here and tell us that they care about the working people in this country.

Mr. Chairman, this is a wrong vote for America, just plain wrong. Vote no on the Republican reconciliation bill.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HOUGHTON].

(Mr. HOUGHTON asked and was given permission to revise and extend his remarks.)

Mr. HOUGHTON. Mr. Chairman, the gentleman from Illinois [Mr. CRANE] was up here a little earlier talking about suggestions that his father had made to him in his early years, one was to give and not take, and the other was to leave the world better than when he found it. He might have added another thing. Do not spend it unless we have it.

This bill gives us an opportunity for the first time I have seen since I have been down here to spend within our means. President Reagan used to talk about morning in America. I really feel we can extend this to this is morning in America for our children. No party has a lock on caring. No party is trying to hurt our children or our mothers or our nursing homes or our seniors. It is all our jobs to protect them.

Mr. Chairman, most Republicans and Democrats, I would like to feel, with the possible exception of some of the fire brands, are going about the task of doing this thing quietly and carefully.

Let me give Members an example. There is a thing that the gentleman from New York [Mr. RANGEL] has been working on with me called the work opportunity tax credit. People come off welfare, they need jobs, this is a way to create incentives for those people who are willing to offer them jobs. It is a wonderful program. It hires those people who have not had jobs and also it helps retain them. Is it going to solve all the problems in welfare? Certainly not. But it will help.

This is not a perfect bill, Mr. Chairman. I have never seen any bill which is perfect down here, but it is a good bill and I support it.

Mr. Chairman, on another issue, I hope this legislation will foster the development of provider networks, including specialty networks. They would assure seniors that they will have choices relating to behavioral, rehabilitation and any other specialty care services.

The private sector has engaged in direct contracting with specialty networks in order to lower costs and improve access to quality treatment as well as expand choice for consumers. The Medicare program should also explore the utilization of these specialty networks for the same reasons.

I believe the Health Care Financing Administration has adequate demonstration authority under current law to test the feasibility and desirability of permitting specialty provider sponsored networks to serve the new Medicare market. A demonstration project would serve to determine whether seniors have access to the most cost effective quality treatments for specialized services.

Ms. ESHOO. Mr. Chairman, I yield 20 seconds to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Chairman, to my good friend from New York, Mr. HOUGHTON, I want to point out that when the gentleman puts his card in the machine and casts his vote for this reconciliation bill today that people in his State of New York who are elderly and disabled will lose $11.2 billion, and this money will have to be made up for in nursing home care and hospital care by their hard-working middle class families.

Ms. ESHOO. Mr. Chairman, I yield 1½ minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I thank the gentlewoman for yielding me time.

Mr. Chairman, in one word, in one word, this Republican reconciliation bill can be described as a fraud. Nothing more, nothing less, a fraud. What kind of sense does it make to ask senior citizens to pay $312 a year more for a weekend Medicare Program while the Republicans give a $14,000-a-year tax break to people making $300,000 a year?

□ 1545

Why should we ask low-income workers to pay more in taxes, while we cut and do away with taxes for some of the largest and most profitable corporations in America?

Why do we throw 20,000 Vermonters off of Medicaid, low-income, disabled people, children, senior citizens off of Medicaid, while we retain and not cut $800 billion in corporate welfare for the privileged and the wealthy?

Mr. Chairman, this Republican proposal is a fraud and it must be returned to sender. Let us defeat it today.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. HASTERT].

Mr. HASTERT. Mr. Chairman, we have heard a lot of allegations today here. I have heard my socialist friend from Vermont talk about cuts for people on Medicare. The fact is in our reconciliation bill we raise, over the 7 years, people's Medicare from $4,800 to $6,700, a 40-percent increase.

Mr. Chairman, if we want to talk about cuts, I would like to take a look at this placard that we have here. We want to talk about what a real cut is. In the Clinton 1993 health care bill, in section 9101 of the Clinton bill it said: The Secretary shall provide each year for payment to regional alliances for the amount equal to the Federal medical assistance a percentage of 95 percent. That is a cut. The 5-percent decrease is a real cut. My colleagues can see here on the math, we go down 5 percent.

In the Republican majority 1995 Medicaid Program, there is an increase. The Medicaid growth increase for fiscal year 1996 is 7.2 percent and it grows from there. The conference agreement of the budget resolution grows Medicaid 7.2 percent.

Mr. Chairman, a cut is below the line. A cut is what we had in the Clinton health care bill when we cut Medicaid and only gave it to people at 95 percent; a 5-percent cut. Increase is when the line goes above and we give the American taxpayers and people on Medicaid, the American poor that need it, a 7.2-percent increase.

Ms. ESHOO. Mr. Chairman, I yield 30 seconds to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, let me just say that Medicare, Medicaid, that

is what this is about. It is tax breaks for the rich versus Medicare and Medicaid.

The Speaker, in his own words, has said what he believes we ought to do with Medicare, and that is that we do not get rid of it now in round one because we do not think it is politically smart, but we do believe that it is going to wither on the vine.

That is the true, the true statement about the Speaker and how he feels about the Medicare Program and its future.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. THORNBERRY].

(Mr. THORNBERRY asked and was given permission to revise and extend his remarks.)

Mr. THORNBERRY. Mr. Chairman, I rise today to express my support for the Seven Year Balanced Budget Reconciliation Act of 1995.

I do so with concern over several of the bill's provisions, particularly those relating to the Federal Helium Program, the Freedom to Farm Act, and certification requirements for weather radar service office. But these concerns are outweighed by the historical significance of the bill, and the singular importance of its No. 1 goal—mainly, to balance the budget in 7 years.

It has been 27 years since the Federal Government passed a balanced budget. In that time, a burden of debt has been placed on American families that casts a long shadow over current and future generations. A child born today will pay an average of $187,000 in lifetime taxes just to pay off interest on the national debt. It is a moral imperative that we get this weight off this shoulders. It is what we were elected to do.

But just as important as removing this burden for those coming into the world is restoring economic opportunity and security for those already here.

The single most imposing obstacle to economic advancement in our Nation today is the Federal Government. It discourages savings and security by overtaxing middle-income families. It stifles growth and investment by overregulating small businesses. And, for the less fortunate, it smothers hope and independence by promoting welfare over work. What Ronald Reagan said more than 15 years ago still holds true: In our country today, government is not the solution to our problem—government is the problem.

This legislation addresses this problem in many important ways. Among the bill's many worthwhile provisions, I am especially pleased with those which reform the welfare system in a way that emphasizes work and family. I am also happy that this bill takes a much-needed first step toward reducing the outrageous pensions Members of Congress receive. Finally, I am pleased with the provision that replaces the current Medicaid system with MediGrants, which will not only benefit taxpayers by controlling runaway spending, but will also benefit States by giving them the freedom to develop health care delivery systems that suit their needs the best.

As I indicated, I do have concerns about the provisions relating to three specific areas. The Federal Helium Program has become an easy issue to demagogue, but the provisions included in this legislation do not provide the guarantee of a reliable, affordable supply of helium which this country must have. In addition, I am concerned that the provisions relating to the Freedom to Farm Act are not in the best interests of the country. However, my reservations in this regard are overcome by the certainly that the problems with these provisions will addressed in conference. I am also concerned with possible lapses in public safety caused by repealing the requirement that no weather service offices be shut down unless there is proven to be no degradation of radar coverage. This is critical to my region of the country, where radar coverage is not up to par. We should use House-approved language providing for a streamlined procedure which reduces unnecessary spending and emphasizes quality of service in problem areas.

I would also like to briefly touch on why I voted against the alternative measure introduced by a coalition of Members from the other side of the aisle. The coalition should be commended for offering a substantive alternative that balances the budget in 7 years. Both the leadership of their own party and their President have failed to do either of these things. However, the coalition proposal falls short in several critical areas. For one thing, it would provide for an adjustment in the consumer price index, which could lead to a reduction in Social Security benefits. Second, the coalition plan fails to provide tax relief for the middle class, thereby breaking the promise we made to American taxpayers.

I am pleased that the majority reconciliation bill fulfills this important promise by providing tax relief to families and incentives for job creation, both of which are absolutely essential and long overdue. These provisions will allow taxpayers to keep a portion of the money taken in the tax increase passed in August 1993, and correct an ill-conceived policy that even the President admits was a mistake. I am also happy that this legislation includes the Taxpayer Bill of Rights, which will provide taxpayers with protections from a wide range of Government abuses.

Mr. Chairman, this bill is truly historic. While is not perfect, it represents a giant leap toward keeping the promise we made to the American people to balance the budget and get our Nation heading in the right direction.

Ms. ESHOO. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Chairman, I want to talk to the gentleman from Ohio [Mr. KASICH] a second. The stock market has already voted on the gentleman's plan today. It is down 50 points. I would say to the gentleman, ''Your crown jewel has turned to paste.''

The crown jewel, the $500 tax cut for every child that has been so freely advertised by my Republican friends, is now down to $365 per child, and the bill has not even gotten to second reading here on the floor. Lord knows what it will be when it gets to third reading or gets back from the Senate.

But, Mr. Chairman, that is not all of it. That $365 per child, that was $500 for every child, does not cover 33 percent of all the children who are in families who would qualify for this. Their families do not qualify for 1 red cent.

So, the $500 per child tax cut is down to $365 and 33 percent of the families get absolutely nothing out of this. It all goes to the rich. Then they tax, wrack, tear, root $270 billion out of the sick and the old. They tear, root, and rip $450 billion, almost a half a trillion dollars, out of children, out of sick people, out of nursing home care people.

Mr. Chairman, this is a travesty on the American public. Nobody is arguing about balancing the budget. The argument is how we balance the budget. Who has to carry the burden? The Republican way, the ''Get Old People'' way, the GOP way, is to give to the rich a $245 billion tax cut, then take all of that money and the rest of the balancing of the budget money out of the children, the sick, the poor, and the aged.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Oregon [Mr. BUNN].

Mr. BUNN of Oregon. Mr. Chairman, the Oregon Health Plan is an innovative, cost-effective plan. We spend $3,800 per person in Oregon, down over 10 percent from the national average.

Hospital charity care had gone down 30 percent since the implementation of the plan. Welfare rolls have decreased 8 percent and we have covered an additional 130,000 people. The governor said we needed $1,042,000,000; the Speaker has provided $1,025,000,000 in this plan.

Mr. Chairman, we will have an Oregon Health Plan next year. We will work with the leadership to provide it beyond that.

Mr. Chairman, I am grateful for the leadership's support for the Oregon Health Plan.

Ms. ESHOO. Mr. Chairman, I yield 30 seconds to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, I would like to point out to the gentleman from Oregon [Mr. BUNN] who just spoke over on the GOP side that out of this bill, the State of Oregon will lose $1.8 billion in health care for the elderly and the disabled.

Mr. Chairman, even the doctors say that, ''People will be sicker and people will die as a result of this toxic mix of funding cuts and elimination of standards.'' We need to keep that in mind.

Mr. Chairman, the GOP guardians of the privileged ought to look at what the doctors are saying. ''People will be sicker and people will die as a result of this toxic mix of funding and standard cuts.''

The CHAIRMAN. The gentlewoman from California [Ms. ESHOO] has 6 minutes 10 seconds remaining and the gentleman from Ohio [Mr. KASICH] has 5 minutes 15 seconds remaining.

Mr. KASICH. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ARCHER], the very distinguished chairman of the Committee on Ways and Means.

Mr. ARCHER. Mr. Chairman, as I listened to this debate, I was struck by the growing philosophical differences

between the two parties. It is unfortunate, because we should all be Americans instead of Republicans and Democrats.

But there is a difference between us. As we Republicans move forward to balance the budget and reduce the tax burden on the American people, we have made our governing philosophy very clear. We believe that the strength of this Nation lies not with the Government, but with each of us individually in our communities, in our churches, in our homes. Left to their own, without Government interference, redtape, or excessive taxation, there is no problem the American people cannot solve.

But Mr. Chairman, the great social experiment of the last 30 years has led to an unparalleled expansion of the Federal Government. Sadly, this has failed to solve our Nation's most difficult problems. Nowhere is that more the case than in our miserable and unfortunate welfare system where, in the last 30 years, we have spent over $5 trillion in the war on poverty, only to lose the war.

Mr. Chairman, the Government that the Democrats brought, along with the bankruptcy at whose brink they have left us, has overextended its reach and it has made promises to the people that no government can fulfill.

Government cannot take the tax dollars that are earned by one citizen, hand them over to another, and then believe that they have improved the lot of either citizen, yet for 30 years, Government tried that. It is called tax and spend.

Mr. Chairman, the time has come to admit that tax and spend has failed. It is time to reduce the size of Government and to give the tax dollars back to the people who earn them. I say to my colleagues across the aisle, ''It ain't your money. It belongs to the people who have earned it.''

Mr. Chairman, it is clear from this debate that the Democrat Caucus is the liberal caucus. The overwhelming majority of the Democrat Party, a party that I once belonged to myself, insists that the Government in Washington, DC remains the only solution and represents the best hope of how to solve people's problems, if only we would just spend more money.

Those on the other side argue over and over again that we could make our Nation's problems go away. If only we, the Government, had a few more of the people's tax dollars, we could solve our problems, so say the Democrats.

Mr. Chairman, while the world has changed, the Democrats in Washington have not. They still cling to the notion that an ever-expanding Federal Government, one that requires more taxes from its citizens, is the best hope that we have to solve our problems. As we downsize Government to a balanced budget, they do not want to give any dividend to the hard-working taxpayers of this country.

Mr. Chairman, we fell differently. While the hearts of the Democrats may sound as if they are in the right place, their fingers are in the wrong place. Their fingers remain stuck deep in the wallets of middle-income Americans trying to take from one citizen in order to give to another.

The Democrats in Congress cling to the notion that big Government, is best; that more power in Washington is wise; and that more spending leads to more solutions.

To my colleagues across the aisle, I have a simple message: Let it go. Let it go. Let it go.

Mr. Chairman, I say to my Democrat colleagues, We tried their way for 30 years. We raised taxes and we increased spending. Now it is our turn. We want to cut taxes, yes. Not for rich Americans; for middle-income Americans. That is what our tax bill does.

We want to cut spending and we want to balance the budget. That is what this bill does and that is why I am voting for it and why it is historic in turning this country around and giving it back to the people.

Ms. ESCHOO. Mr. Chairman, I yield 15 seconds to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Chairman, I would like to point out that when the gentleman from Texas [Mr. ARCHER] casts his vote, the elderly and disabled in his State will lose $6.5 billion in health care. Most of this is in nursing home care for seniors, which will have to be paid for by the hard-working middle-class families.

Ms. ESHOO. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. HARMAN].

(Ms. HARMAN asked and was given permission to revise and extend her remarks.)

Ms. HARMAN. Mr. Chairman, I rise in opposition to this budget.

Ms. ESHOO. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. DEUTSCH].

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Mr. DEUTSCH. Mr. Chairman, there is an old expression: If it looks like a duck and it sounds like a duck and it quacks like a duck and it walks like a duck and it smells like a duck, there is probably a pretty good darn chance it is a duck.

Let me tell my colleagues about the Republicans and Medicare. BOB DOLE: ''I was there fighting the fight, voting against Medicare, one out of twelve, because we knew it would not work in 1965,'' a couple of days ago.

Speaker GINGRICH on Medicare: ''We do not get rid of it in round one, because we don't think that that is politically smart and we don't think that is the right way to go through a transition period. But we believe it is going to wither on the vine because we think people are voluntarily going to leave it,'' just yesterday.

There are three big lies about the Medicare plan. The first one is that it is such a terrible thing that there is a 7-year actuarial life. In the 30 years of the Medicare System, 12 of those 30 years, there was a shorter actuarial life, and we did something about it. We made tough choices, and we did something about it. We changed it, not unprecedented health insurance.

The second big lie is $270 billion in cuts. The actuaries, nonpolitical people, not numbers out of the ballpark. It has nothing to do with saving Medicare. The money is not going into the trust fund. It is a flat-out lie. The $270 billion in Medicare is not going to save Medicare. It is just a flat-out lie. It has nothing to do with the problems with the trust fund.

The third problem and the third lie is the issue of choice. My colleagues continue to say that there is going to be choice. It is a false choice, because essentially the Speaker is right; no one will be able to stay in Medicare except for the richest of the rich, because people will be forced out of Medicare, forced into substandard HMO's. This plan is wrong, wrong, wrong. I urge a no vote.

Ms. ESHOO. Mr. Chairman, I yield myself 1½ minutes.

(Ms. ESHOO asked and was given permission to revise and extend her remarks.)

Ms. ESHOO. Mr. Chairman, I rise in strong opposition to this Gingrich budget. There are many reasons to oppose it, but I want to highlight two: how it treats our Nation's elderly and our Nation's children. On both counts, this legislation fails miserably to live up to our Nation's historic commitment to those in the autumn of their lives and those in the spring of their lives.

There is nothing in this bill to prevent nursing homes from using physical restraints on seniors without a doctor's order, nothing to prevent nursing homes from evicting the elderly for financial reasons, nothing to prevent abuses which existed in many States prior to critical Federal intervention.

As a member of the Committee on Commerce, I was proud to offer an amendment which would have continued the guarantee of health coverage for our children. That failed. As a result of these Medicaid cuts and other Gingrich proposals, our children will receive less health care, less preschool education, and less money to live on.

This Gingrich budget fails the test of decency for our children, for our elderly, and it deserves to be defeated. It does not honor our fathers and our mothers, and it totally dishonors our Nation's children.

Mr. Chairman, I yield 20 seconds to the gentlewoman from Illinois [Mrs. COLLINS].

(Mrs. COLLINS of Illinois asked and was given permission to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Chairman, I hope that my friends and my colleagues on the other side realize what everybody is saying about this

thing that is absolutely true. That is that, because Federal law forbids denying emergency care to uninsured, hospitals could avoid financial harm only by closing emergency rooms and trauma centers, and the general public is going to be hurt.

Ms. ESHOO. Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. KLINK].

(Mr. KLINK asked and was given permission to revise and extend his remarks.)

Mr. KLINK. Mr. Chairman, I thought I was misreading my calendar. I thought that it was a week after Halloween, not the week before Halloween, because, you see, this week the masks come off. Last week we heard the Speaker give an impassioned speech here in this very well in which he gave us, first of all, his entire family tree and told us how important Medicare was to all of these people and how he was going to make sure that Medicare was there for them. Then this week, when speaking to a group of very important people in the insurance industry, Blue Cross and Blue Shield, he said: ''We don't get rid of it in round one because we do not think that politically it is smart. We don't think that is the right way to go through a transition period, but we believe it is going to wither and die on the vine.''

I ask, when was the Speaker being truthful? Was he being truthful to us a week ago in this very well when he talked to us about the fact this was an important program that he was trying to save, or in fact was he being truthful to these people that he was talking to from the insurance industry?

For a few Americans this bill is really going to be like the Good Ship Lollipop. It is going to shower sugarplums and candy canes in the form of tax breaks for the very wealthy. But for most of middle-class America, this bill that we are debating here on the floor of the House today is indeed the S.S. *Titanic*. It simply will not float.

This bill is going to shred a health care system that has protected senior citizens for 30 years. It cuts Medicare by $270 billion. It cuts Medicaid by 180 billion. To those who think we have a good health delivery system, 60 percent of the money that goes into training doctors and into taking care of medical needs of our country come from these programs. Vote against this bill. It is horrendous.

Ms. ESHOO. Mr. Chairman, I yield the balance of my time to the distinguished gentleman from Michigan [Mr. DINGELL].

The CHAIRMAN. The gentleman from Michigan [Mr. DINGELL] is recognized for 35 seconds.

Mr. DINGELL. Mr. Chairman, I have listened all during this debate to my Republican colleagues say that Medicare does not work. I do not like to hear that, and I do not think the senior citizens like to hear it, because Medicare has worked. Medicare has prolonged the lives of senior citizens. Medicare has given a better standard of living to the American people. Medicare has prevented young people from having to choose between college for their kids and health care for their parents. Medicare has seen to it that, instead of less than 50 percent of the senior citizens having health care, that now almost 100 percent do. Americans are covered by health care amongst the senior citizens.

Americans are urged by the New York Times, and they say, reject the big Medicare cuts. The big Medicare cuts we are talking about here are nothing more or less than something that is going to hurt the senior citizens, and it is being done by the Republicans to ensure that they can give a tax cut to the very rich.

Mr. FRANKS of New Jersey. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. FAWELL].

(Mr. FAWELL asked and was given permission to revise and extend his remarks.)

Mr. FAWELL. Mr. Chairman, I rise in support of this reconciliation bill.

Mr. Chairman, I rise in support of H.R. 2517, the Seven Year Balanced Budget Reconciliation Act of 1995. The current budgetary situation facing this Nation is staggering. Years of deficit spending have pushed our national debt to nearly $5 trillion. For a child born today, the share of this debt totals $19,000. The landmark measure before us today, which would set a glidepath to achieve a balanced Federal budget by the year 2002, will provide our children with a future that promises economic opportunity and prosperity, rather than a future of paying for our irresponsible fiscal behavior.

Earlier this year, Congress adopted the congressional budget resolution, a nonbinding blueprint of Federal spending over the next 7 years. This resolution recommended reducing the overall growth of Federal spending to 3 percent annually, instead of the current 5 percent annual growth. H.R. 2517 fulfills the promise of the budget resolution and makes the necessary changes in our revenue and spending laws to achieve a balanced budget for the first time in a generation.

H.R. 2517 would balance the Federal budget by restraining spending and shrinking the size of Government. The plan encompasses innovative reforms in all areas of Federal spending, including: reforming the welfare system to emphasize work, families, and responsibility; restructuring Medicare to reign in out-of-control health care expenditures, and simultaneously giving seniors more choice in health care services; converting the Medicaid Program into ''Medigrants,'' block grants to the States to allow more flexibility in providing health care to the disadvantaged elderly and disabled; closing billions of dollars in corporate tax loopholes; scaling back agriculture subsidies; abolishing the Department of Commerce; repealing burdensome and costly Federal statutes, such as the Service Contract Act; privatizing portions of the Federal bureaucracy, such as the U.S. Enrichment Corporation; and, terminating out-dated Federal programs, such as the Federal Helium Program.

Opponents of this legislation argue that Republicans are recklessly cutting Federal spending. A closer look at the plan, however, reveals that there are no cuts in spending. To illustrate, during the last 7 years, from 1989 to 1995, Federal spending totaled $9.5 trillion; under the Republican plan, during the next 7 years Federal spending will total $12.1 trillion. The growth in the major Federal programs over the next 7 years is indisputable: Medicare spending will increase by $672 billion; Medicaid spending will increase by $330 billion; and, welfare spending will increase by $346 billion. The bottom line is clear: under the Republican plan, overall Federal spending will increase by $2.6 trillion during the 1995–2002 period. Only in Washington can these increases in spending be considered cuts. On the same note, I would also point out that even with the enactment of $245 billion in tax relief in this legislation, overall Federal revenues will still increase by $3.3 trillion during the same period.

H.R. 2517 is not a perfect bill. There is one provision in particular about which I would like to comment. Section 13607 of the legislation effects a seismic change in pension law by permitting employers to withdraw for any purpose so-called excess assets from ongoing private pension plans of the defined benefit variety. This is said to raise about $9.5 billion in revenue from the $27 billion in withdrawals expected to be made by employers over the 5-year window opened up under the bill. ''Excess assets'' means assets above a threshold defined as the larger of 125 percent of current liability or the plan's full funding limit—equal to the lesser of the plan's accrued actuarial liability or 150 percent of current liability.

In short, this means that employers can withdraw plan assets above a minimum asset threshold which can, in effect, vary from 125 to 150 percent of current liability depending on plan structure.

The potential risks related to these provisions are not small. My first concern is that so-called excess assets can be withdrawn from a pension trust even by employers in bankruptcy who can then terminate the plan with no guarantee the remaining assets will be sufficient to pay for all plan benefits. This is because the defined threshold beyond which assets may be withdrawn can be less than the threshold of assets required in the event of the actual plan termination by a financially distressed employer.

I believe the American Academy of Actuaries is correct in saying that the minimum threshold for asset reversions should be based on plan termination liability, rather than current liability. I generally concur with the views expressed by the Pension Benefit Guaranty Corporation [PBGC], that a plan whose current liability is 125 percent funded may in fact be less than 100 percent for purposes of its liability at plan termination. This discrepancy is the result of differences in the actuarial assumptions used for interest, mortality, and expected retirement age. While the PBGC calculations may not be perfect, the discrepancy between current and termination liability is real, and the danger to employees, pensioners and the taxpayer in the case of the termination of an underfunded plan by an insolvent employer is real.

The overall funding of defined benefit pension plans has declined precipitously since 1987 when, in order to increase revenues, Congress placed an artificial full funding limit, that is, a maximum limit, on the level of tax-deductible employer contributions. As a result,

many large employer plan sponsors have been forced to take contribution holidays, and thus have been prevented from funding toward projected actuarial liabilities—a more accurate measure of long-term pension plan costs than current liability. I believe it is time to reconsider the suitability of this artificial maximum contribution limit and ensure a more sound funding target—it is not the time to adopt a definition of excess assets based on the inadequate standard of current liabilities.

It may, indeed, be time to reconsider the suitability of this artificial maximum contribution limit and ensure a more sound funding target of at least ''plan termination liability'' which is the level of plan assets needed to pay all benefits upon the actual termination of a plan. Clearly, it could not have been intended that a large employer in or facing bankruptcy be enabled to extract assets from a pension plan and to then terminate the employer's plan or plans, leaving other employers who pay PBGC premiums or taxpayers to pay for the pensions of the employer's underfunded plan or plans. This can be avoided by listening to the voice of pension experts in the American Academy of Actuaries who suggest the withdrawal threshold be based on at least termination liability.

It also may well be that a more refined pension policy allowing for the reversion of pension assets that are truly excess could help restore employer interest in defined benefit plans and, thus, expand pension coverage. However, the provision should be crafted carefully, should amount to more than a temporary revenue raising measure, and should take into consideration the protections of that title I of Employer Retirement Income Security Act [ERISA] presently provides to plan participants and retirees. Without a permanent provision employers will have no incentive to create or remain in defined benefit plans—and that purported benefit of section 13607 will never be realized. Care must also be taken to recognize the complexity of individual plans, including the fact that so-called excess assets can arise from contributions made by employees as well as those made by employers.

Moreover, the reversion provisions of section 13607 may not even generate the revenue projected. Corporations with a tax loss carry-forward will look to acquire companies with excess assets, so that they can take a reversion tax free. Alternatively, companies may wait to take reversions until they have a tax-loss year. Thus, we may be encouraging the removal of an estimated $27 billion of excess assets without gaining the sought-after revenue.

The success of ERISA private pension plans in America has been immense—$3.5 trillion of assets invested in America. In addition, unlike Social Security and many public pension plans, the assets are real. So far, ERISA's ''prudent man rule'' has protected the sanctity of those trust funds. We have been successful in the House in fighting off the administration's efforts to hawk economically targeted investments [ETI's] to private pension plan fiduciaries. That effort could rightly be described as an attempt by the administration to force private pension assets to be used for socially correct investments. We want to allow employers the right to take true excess funds from their pension trusts, but the words ''excess funds'' are, at best, actuarial indefinite and vague. It is therefore essential that the formula for allowing employers to remove funds from pension trusts be unquestionably based on the most conservative of actuarial principles. I believe that this is the essence of what Republicans stand for. I fear, however, that section 13607 is not fully consistent with these principles.

Finally, I remain concerned that the reversion provisions in section 13607 do not include the ERISA amendments necessary to enable pension plan asset reversions to be legally consummated.

Nevertheless, Mr. Chairman, although I have these concerns about the pension reversion provisions, this reconciliation bill has many more positives than negatives. And there still is opportunity—in conference—for salutary changes. What is most important is that the constant failure of Congress to reach a balanced budget is leading us to an unforgivable consequence: passing on trillions of dollars in Federal debt to future generations of Americans. The best time to begin putting matters in order is today; when it comes to making tough decisions to rein in total Federal spending, tomorrow never comes.

Mr. FRANKS of New Jersey. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. BILBRAY].

The CHAIRMAN. The gentleman from California [Mr. BILBRAY] is recognized for 40 seconds.

Mr. BILBRAY. Mr. Chairman, I am a freshman. I have not been here before, but I do recognize the fact that the citizens of the United States want to get their fair share for their dollar spent.

The colleagues to my left keep pointing out about Medicare. My seniors are saying, why pay more than twice the rate of inflation? Any good consumer would not only encourage that, they would demand that. That is all we are saying.

Let me leave you with this: I keep hearing my colleagues on the other side of the aisle, who controlled this body for 40 years, saying that they support a balanced budget. As a freshman who has come here this year, my question to them is, why again and again ever since the 1960's have they not been able to present that balanced budget to the people?

So all I ask them to do is quit finding excuses not to vote for a balanced budget. The American people want it. They are tired of the excuses from Washington, and they want us to prove that we can balance the budget just like they do every day of their lives.

The CHAIRMAN. Pursuant to House Resolution 245, all time for general debate, has expired.

Pursuant to the rule, an amendment in the nature of a substitute consisting of the text of H.R. 2517, as modified by the amendments printed in House Report 104–292, is adopted and the bill, as amended, is considered as an original bill for the purpose of further amendment and is considered read.

The text of the amendment in the nature of a substitute, as modified, is as follows:

N O T I C E

Incomplete record of House proceedings. Except for concluding business which follows, today's House proceedings will be continued in the next issue of the Record.

CONFERENCE REPORT ON H.R. 1905, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1996

Mr. BUNN of Oregon submitted the following conference report and statement on the bill (H.R. 1905) making appropriations for energy and water development for the fiscal year ending September 30, 1996, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 104–293)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1905) ''making appropriations for energy and water development for the fiscal year ending September 30, 1996, and for other purposes,'' having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 18, 20, 23, 24, 26, 32, 36, 44, 45, 46, 47, 57, and 58.

That the House recede from its disagreement to the amendments of the Senate numbered 7, 13, 14, 25, 33, 38, 39, 40, 43, and 54; and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$121,767,000*; and the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

Norco Bluffs, California, $375,000;

Ohio River Greenway, Indiana, $500,000;

Kentucky Lock and Dam, Kentucky, $2,000,000;

Mussers Dam, Middle Creek, Snyder County, Pennsylvania, $300,000; and

West Virginia Port Development, West Virginia, $300,000: Provided, That the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake a study of water supply and associated needs in the vicinity of Hazard, Kentucky, using $500,000 of the funds

appropriated under this heading in Public Law 103–316 for Hazard, Kentucky.

And the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$804,573,000*; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

Homer Spit, Alaska, repair and extend project, $3,800,000;

McClellan-Kerr Arkansas River Navigation System, Arkansas, $6,000,000: Provided, That $4,900,000 of such amount shall be used for activities relating to Montgomery Point Lock and Dam, Arkansas;

Red River Emergency Bank Protection, Arkansas and Louisiana, $6,600,000;

Sacramento River Flood Control Project (Glenn-Colusa Irrigation District), California, $300,000;

San Timoteo Creek (Santa Ana River Mainstem), California, $5,000,000;

Indiana Shoreline Erosion, Indiana, $1,500,000;

Arkansas City flood control project, Kansas, $700,000, except that for the purposes of the project, section 902 of Public Law 99–662 is waived;

Winfield, Kansas, $670,000;

Harlan (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $12,000,000;

Williamsburg (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $4,100,000;

Middlesboro (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $1,600,000;

Salyersville, Kentucky, $500,000;

Lake Pontchartrain and Vicinity (Hurricane Protection), Louisiana, $13,348,000;

Ouachita River Levees, Louisiana, $2,300,000;

Red River below Denison Dam Levee and Bank Stabilization, Louisiana, Arkansas, and Texas, $2,500,000;

Roughans Point, Massachusetts, $710,000;

Marshall, Minnesota, $850,000;

Ste. Genevieve, Missouri, $1,000,000;

Broad Top Region, Pennsylvania, $4,100,000;

Glen Foerd, Pennsylvania, $200,000;

South Central Pennsylvania Environmental Restoration, Pennsylvania, $3,500,000;

Wallisville Lake, Texas, $5,000,000;

Virginia Beach Erosion Control and Hurricane Protection, Virginia, $1,100,000;

Hatfield Bottom (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), West Virginia, $200,000; and

Upper Mingo (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), West Virginia, $2,000,000: Provided, That the Secretary of the Army, acting through the Chief of Engineers, shall transfer $1,120,000 of the Construction, General funds appropriated in this Act to the Secretary of the Interior and the Secretary of the Interior shall accept and expend such funds for performing operation and maintenance activities at the Columbia River Fishing Access Sites to be constructed by the Department of the Army at Cascade Locks, Oregon; Lone Pine, Oregon; Underwood, Washington; and the Bonneville Treaty Fishing Access Site, Washington: Provided further, That using funds appropriated in Public Law 103–316 for the Sacramento River Flood Control Project (Deficiency Correction), California, project and funds appropriated herein for the Sacramento Urban Area Levee Reconstruction, California, project, the Secretary of the Army, acting through the Chief of Engineers, is directed to acquire all or part of the Little Holland tract, with any and all appurtenant water rights, for wetland and fish and wildlife activities pursuant to the authority of section 906 of Public Law 99–662 and conditioned on a determination made by the Secretary, pursuant to Section 906, that acquisition is in the Federal interest.

And the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,703,697,000*; and the Senate agreed to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum named in said amendment insert: *$151,500,000*; and the Senate agreed to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the sum named in said amendment, insert: *$62,000,000*; and the Senate agreed to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

Retain the matter proposed by said amendment, and on page 7, line 18, of the House engrossed bill, H.R. 1905, strike ''the'', and insert in lieu thereof, ''any civil''.

And the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows:

Delete the matter stricken by said amendment and insert the matter proposed by said amendment, amended as follows:

Strike subsection (d) and insert in lieu thereof the following: *(d) If any of the four Corps of Engineers hopper dredges is removed from normal service for repair or rehabilitation and such repair prevents the dredge from accomplishing its volume of work regularly carried out in each of the past three years, the Secretary shall not significantly alter the operating schedules of the remaining Federal hopper dredges established in accordance with the requirements of subsection (a) above.*

And the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 103. With the exception of the use of funds to process any required Department of the Army permits, none of the funds appropriated herein or otherwise available to the Army Corps of Engineers may be used to assist, guide, coordinate, administer, prepare for occupancy of, or acquire furnishings for or in preparation of a movement to the Southeast Federal Center.

And, on page 9, line 12, of the House engrossed bill, H.R. 1905, strike ''(b) PROJECT DEPTH.—'' and all that follows through ''harbor or refuge.'', on page 10, line 2 and insert in lieu thereof the following:

(b) PROJECT DEPTH.—The project described in subsection (a) is modified to provide for an authorized depth of 12.5 feet.

(c) NAVIGATION CHANNEL (MODIFIED).—The reauthorized project navigation channel shall be defined by the following coordinates: 2911N–2239E, 3240N–2504E, 3964N–2874E, 4182N–2891E, 4469N–2808E, 4692N–2720E, 4879N–2615E, 4952N–2778E, 4438N–2980E, 4227N–3097E, 3720N–3068E, 3076N–2798E, 2996N–2706E, 2783N–2450E.

(d) HARBOR OF REFUGE.—The project described in subsection (a), including the breakwalls, pier and authorized depth of the project (as modified by subsection (b)), shall continue to be maintained as a harbor of refuge.

And the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 106. Using $2,000,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is authorized to undertake the Indianapolis, Indiana, project, authorized in section 5 of Public Law 74–738, as amended, and as modified to include certain riverfront alterations as described in the Central Indianapolis Waterfront Concept Master Plan, dated February, 1994, at a total cost of $65,975,000 with an estimated first Federal cost of $39,975,000 and an estimated first non-Federal cost of $26,000,000.

SEC. 107. SOUTH CENTRAL PENNSYLVANIA.

(a) IN GENERAL.—Section 313 of the Water Resources Development Act of 1992 (106 Stat. 4845–4847) is amended—

(1) in the heading to subsection (c) by striking ''WITH SARCD COUNCIL'';

(2) in subsection (c) by inserting ''with State, regional, and local officials, including, where applicable,'' after ''consult'';

(3) in subsection (d)(2)(A) by inserting ''where applicable,'' after ''Council'';

(4) in subsection (g)(1) by striking ''$17,000,000'' and inserting ''$50,000,000''; and

(5) in subsection (h)(2) by striking ''Bedford, Blair, Cambria, Fulton, Huntingdon, and Somerset'' and inserting ''Armstrong, Bedford, Blair, Cambria, Clearfield, Fayette, Franklin, Fulton, Huntingdon, Indiana, Juniata, Mifflin, Somerset, Snyder, and Westmoreland''.

(b) COST SHARING.—Section 313(d)(3) of the Water Resources Development Act of 1992 (106 Stat. 4846) is amended to read as follows:

''(3) Cost sharing.—

''(A) IN GENERAL.—Total project costs under each local cooperation agreement entered into under this subsection shall be shared at 75 percent Federal and 25 percent non-Federal. The non-Federal interest shall receive credit for the reasonable costs of design work completed by such interest prior to entering into a local cooperation agreement with the Secretary for a project. The Federal share may in the form of grants or reimbursements of project costs.

''(B) INTEREST.—In the event of delays in reimbursement of the non-Federal share of a project, the non-Federal interest shall receive credit for reasonable interest to provide the non-Federal share of a project's cost.

''(C) LANDS, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit for lands, easements, rights-of-way, and relocations toward its share of project costs, including direct costs associated with obtaining permits necessary for the placement of such project on public owned or controlled lands, but not to exceed 25 percent of total project costs.

''(D) OPERATION AND MAINTENANCE CREDIT.—Operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent non-Federal.''.

SEC. 108. Using $2,000,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to proceed with engineering, design, and construction of projects to provide

for flood control and improvements to rainfall drainage systems in Jefferson, Orleans, and St. Tammany Parishes, Louisiana, in accordance with the following reports of the New Orleans District Engineer: Jefferson and Orleans Parishes, Louisiana, Urban Flood Control and Water Quality Management, July 1992; Tangipahoa, Techefuncte and Tickfaw Rivers, Louisiana, June 1991; and Schneider Canal, Slidell, Louisiana, Hurricane Protection, May 1990. There is authorized to be appropriated $25,000,000 for the initiation and partial accomplishment of projects described in these reports. The cost of any work performed by the non-Federal interests subsequent to the above cited reports, as determined by the Secretary of the Army to be a compatible and integral part of the projects, shall be credited toward the non-Federal share of the projects.

SEC. 109. (a) IN GENERAL.—Subject to the provisions of this section, the Secretary of the Army shall convey to the City of Prestonburg, Kentucky, all right, title, and interest of the United States, in and to the land described in the Supplemental Agreement—Modification No. 2 to the Department of the Army lease #DACW69–1–76–0186, executed by and between the Department of the Army and the Commonwealth of Kentucky, together with any improvements thereon.

(b) CONDITIONS.—The conveyance authorized by this section is subject to the following conditions:

(1) The City shall ensure that the land conveyed by this section will be used for public use recreational purposes and to further the regional economic development.

(2) The City shall use all proceeds derived from the sale or lease of any mineral rights conveyed pursuant to this section for the development, operation, and maintenance of recreational facilities on the lands conveyed in accordance with this section.

(3) The City shall accept the property in its condition at the time of the conveyance. The Secretary shall not be required to make any improvements in the property's condition, and the City shall hold and save the United States free from any claims or damages arising from any activities on the conveyed land either on the date of the conveyance or any subsequent date.

(4) If the City uses the land conveyed under this section for any purpose other than those specified in this paragraph, the Secretary shall notify the City of such failure. If the City does not correct such nonconforming use during the 1-year period beginning on the date of such notification, the Secretary shall have a right of reverter to reclaim possession and title to the land conveyed under this section.

And the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the section number named in said amendment, insert: *110*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$12,684,000*; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$411,046,000*; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$273,076,000*; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *$2,727,407,000, to remain available until expended*; and the Senate agree to the same.

Amendment numbered 27:

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$981,000,000*; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *For nuclear waste disposal activities to carry out the purposes of Public Law 97–425, as amended, including the acquisition of real property or facility construction or expansion, $151,600,000, to remain available until expended, to be derived from the Nuclear Waste Fund.*

And the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$3,460,314,000*; and the Senate agree to the same.

Amendment numbered 30:

That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$5,557,532,000*; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,373,212,000*; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert: *: Provided, That of the amount herein appropriated, $85,000,000 shall be available for obligation and expenditure only for an interim storage facility and only upon the enactment of specific statutory authority.*

And the Senate agree to the same.

Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$366,697,000*; and the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$244,391,000*; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$170,000,000*; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment insert:

DELAWARE RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Delaware River Basin Commission, as authorized by law (75 Stat. 716), $343,000.

CONTRIBUTION TO DELAWARE RIVER BASIN COMMISSION

For payment of the United States share of the current expenses of the Delaware River Basin Commission, as authorized by law (75 Stat. 706, 707), $428,000.

And the Senate agree to the same.

Amendment numbered 48:

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment insert:

SUSQUEHANNA RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Susquehanna River Basin Commission as authorized by law (84 Stat. 1541), $318,000.

CONTRIBUTION TO SUSQUEHANNA RIVER BASIN COMMISSION

For payment of the United States share of the current expenses of the Susquehanna River Basin Commission, as authorized by law (84 Stat. 1530, 1531), $250,000.

And the Senate agree to the same.

Amendment numbered 49:

That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$109,169,000*; and the Senate agree to the same.

Amendment numbered 50:

That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: *The Tennessee Valley Authority shall, not later than March 30, 1996, submit to Congress a preliminary plan for funding the environmental research center from sources other than direct appropriations to the Tennessee Valley Authority after fiscal year 1996; and the Senate agree to the same.*

Amendment numbered 51:

That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows:

In lieu of the matter stricken by said amendment, insert:

SEC. 501. Section 510 of Public Law 101–514, the Fiscal Year 1991 Energy and Water Development Appropriations Act, is repealed.

SEC. 502. Notwithstanding the provisions of any other law, the report referred to in Title 30 of Public Law 102–575 shall be submitted within five years from the date of enactment of that Act.

And the Senate agree to the same.

Amendment numbered 52:

That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows:

In lieu of the matter stricken by said amendment, insert:

SEC. 504. Section 4(a) of the Act entitled ''An Act to provide for the restoration of the fish and wildlife in the Trinity River Basin, California, and for other purposes'', approved October 24, 1984 (98 Stat. 2723), is amended—

(a) in paragraph (1), by striking ''October 1, 1995'' and inserting in lieu thereof ''October 1, 1996''; and

(b) in paragraph (2), by striking ''ten-year'' and inserting in lieu thereof ''eleven-year''.

And the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows:

In lieu of the matter stricken by said amendment, insert:

SEC. 507. In order to ensure the timely implementation of the Colorado Ute Indian Water Rights Settlement Act of 1988, the Secretary of the Interior is directed to proceed without delay with construction of those facilities in conformance with the final Biological Opinion for the Animas-La Plata project, Colorado and New Mexico, dated October 25, 1991.

And the Senate agree to the same.

Amendment numbered 55:

That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 508.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Bonneville Power Administration.

(2) COUNCIL.—The term ''Council'' means the Northwest Power and Conservation Planning Council.

(3) EXCESS FEDERAL POWER.—The term ''excess Federal power'' means such electric power that has become surplus to the firm contractual obligations of the Administrator under section 5(f) of the Pacific Northwest Electric Power Planning Conservation Act (16 U.S.C. 839c(f)) due to either—

(A) any reduction in the quantity of electric power that the Administrator is contractually required to supply under subsections (b) and (d) of section 5 of the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839c), due to the election by customers of the Bonneville Power Administration to purchase electric power from other suppliers, as compared to the quantity of electric power that the Administrator was contractually required to supply as of January 1, 1995; or

(B) those operations of the Federal Columbia River Power System that are primarily for the benefit of fish and wildlife affected by the development, operation, or management of the System.

(b) SALE OF EXCESS FEDERAL POWER.—Notwithstanding section 2, subsections (a), (b), and (c) of section 3, and section 7 of Public Law 88–552 (16 U.S.C. 837a, 837b, and 837f), and section 9(c) of the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839f(c)), the Administrator may, as permitted by otherwise applicable law, sell or otherwise dispose of excess Federal power—

(1) outside the Pacific Northwest on a firm basis for a contract term of not to exceed 7 years, if the excess Federal power is first offered for a reasonable period of time and under the same essential rate, terms and conditions to those Pacific Northwest public body, cooperative and investor-owned utilities and those direct service industrial customers identified in subsection (b) or (d)(1)(A) of section 5 of the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839c); and,

(2) in any region without the prohibition on resale established by the second sentence of section 5(a) of the Act entitled ''An Act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes'', approved August 20, 1937 (commonly known as the ''Bonneville Project Act of 1937'') (16 U.S.C. 832d(a)).

(c) STUDY BY COUNCIL.—(1) Within 180 days of enactment of this Act, the Council shall review and report to Congress regarding the most appropriate governance structure to allow more effective regional control over efforts to conserve and enhance anadromous and resident fish and wildlife within the Federal Columbia River Power System.

(d) CORPS OF ENGINEERS PROCUREMENT.—The Assistant Secretary of the Army for Civil Works, acting through the North Pacific Division of the Corps of Engineers, is authorized to place orders for goods and services related to facilities for electric power generation and fish and wildlife mitigation associated with the Federal Columbia River Power System with and through the Administrator using the authorities available to the Administrator.

(e) RESIDENTIAL EXCHANGE.—Notwithstanding the establishment, confirmation and approval of rates pursuant to 16 U.S.C. 839e, and notwithstanding the provisions of 16 U.S.C. 839c(c), the cost benefits of eligible utilities' total purchase and exchange sales under 16 U.S.C. 839c(c)(1) shall be $145,000,000 for Fiscal Year 1997, and the net benefits paid to each eligible electric utility shall be $145,000,000 multiplied by the percentage of the total of such net benefits paid by the Administrator to such utility for Fiscal Year 1995.

(f) PERSONNEL FLEXIBILITY.—The Administrator may offer employees voluntary separation incentives as deemed necessary which shall not exceed $25,000. Recipients who accept employment with the United States within five years after separation shall repay the entire amount to the Bonneville Power Administration.

(g) SAVINGS.—Unless superseded by an Act of Congress, the authority provided by this section is expressly intended to extend beyond the fiscal year.

And the Senate agree to the same.

Amendment numbered 56:

That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 509. Section 7 of the Magnetic Fusion Energy Engineering Act (42 U.S.C. 9396) is repealed.

And the Senate agree to the same.

Amendment numbered 59:

That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows:

In lieu of the section number named in said amendment, insert: *510*; and the Senate agree to the same.

JOHN T. MYERS,
HAROLD ROGERS,
JOE KNOLLENBERG,
FRANK RIGGS,
RODNEY P. FRELINGHUYSEN,
JIM BUNN,
BOB LIVINGSTON,
TOM BEVILL,
VIC FAZIO,
JIM CHAPMAN,
Managers on the Part of the House.

PETE V. DOMENICI,
MARK O. HATFIELD,
THAD COCHRAN,
SLADE GORTON,
MITCH MCCONNELL,
ROBERT F. BENNETT,
CONRAD BURNS,
ROBERT C. BYRD,
FRITZ HOLLINGS,
HARRY REID,
BOB KERREY,
PATTY MURRAY,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two houses on the amendments of the Senate to the bill (H.R. 1905) making appropriations for energy and water development for the fiscal year ending September 30, 1996, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report.

The language and allocations set forth in House Report 104–149 and Senate Report 104–120 should be complied with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not changed by the report of the Senate or the conference, and Senate report language which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House or Senate have directed the submission of a report, such report is to be submitted to both House and Senate Committees on Appropriations.

TITLE I

DEPARTMENT OF DEFENSE—CIVIL

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs and activates of the Corps of Engineers. Additional items of conference agreement are discussed below.

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

Amendment No. 1: Appropriates $121,767,000 for General Investigations instead of $129,906,000 as proposed by the House and $126,323,000 as proposed by the Senate.

The conferees are aware that there is existing authority for the Corps of Engineers to maintain the Dog River in Alabama from the Mobile Harbor Ship Channel to 2,600 feet west of the Alabama Highway 163 bridge. The river has severe siltation west of that point and is not navigable during low tide. From within available funds, the Corps of Engineers is directed to use $200,000 to initiate a reconnaissance study of that portion of the Dog River.

The conference agreement includes $150,000 for the Atlantic Intracoastal Waterway, Palm Beach County, Florida, project, Using these funds, the Corps of Engineers is directed to perform a reevaluation study of the authorized navigation improvements along the Atlantic Intracoastal Waterway in Palm Beach County.

The conference agreement includes $6,205,000 for the Upper Mississippi River and Illinois Waterway study, the same as the budget request. The purpose of this study is to address the need for navigation capacity expansion on the Upper Mississippi River and Illinois Waterway. The conferees believe that the environmental component of the study should be limited to any impacts associated with expanding the capacity of the two systems. Therefore, the conferees direct

the Corps of Engineers to not expand the scope of the study such that its total cost exceeds that presented in the current Project Management Plan. In addition, because of the need for a timely review of future navigation needs on the upper Mississippi River and Illinois Waterway, the conferees direct the Corps to expedite work on the study and ensure that the Division Engineer's public notice on the feasibility report is issued no later than December of 1999.

The Secretary of the Army is directed to initiate a general reevaluation report for the Truckee Meadows Flood Control project, Nevada, authorized in the Water Resources Development Act of 1988. Of the $400,000 provided in the conference agreement for the Lower Truckee River, Nevada, project, $50,000 is appropriated for this investigation. The report will consider additional flood protection at and below Reno, Nevada, through levee/channel improvements, local impoundments, and potential reoperation of existing reservoirs in the watershed. The report will also consider the potential for environmental restoration along the Truckee River and tributaries in the Reno-Sparks area.

The conference agreement includes $600,000 for the Corps of Engineers, in cooperation with the Bureau of Reclamation, to continue the feasibility study for lake stabilization in the Devils Lake Basin of North Dakota as described in Public Law 102–377. The conferees expect the Corps of Engineers to expedite planning for emergency mitigation measures including emergency outlet options to the Sheyenne River, upper basin storage, and enhanced diking. The Corps of Engineers shall make its recommendations to the Congress for upper basin storage and enhanced diking by March 1, 1996, and shall report on the status of the lake stabilization study by September 30, 1996.

The conference agreement includes $559,000 for the Army Corps of Engineers to continue preconstruction engineering and design for the Noyo Harbor Breakwater, California, project. The conferees are aware of a proposal to utilize prefabricated steel structures in lieu of a stone breakwater, at considerably less cost than the $22,900,000 now projected. Furthermore, the structures can be fitted to generate electricity. The potential for reduced construction costs, together with the ancillary benefit of wave power generation, would facilitate local cost sharing. The conferees, therefore, direct that the funds be utilized for efforts to validate the viability of using these structures to serve as breakwaters, including modeling.

The conference agreement includes the following amounts for Coordination Studies With Other Agencies: Cooperation With Other Agencies, $480,000; Section 22 Planning Assistance to States, $2,000,000; Special Investigations, $3,400,000; Gulf of Mexico Program, $300,000; Interagency Water Resources Development, $1,000,000; National Estuary Program, $180,000; North American Waterfowl Management Plan, $180,000; and $380,000 for the Pacific Northwest Forest Case Study as described in the Senate Report.

Within the funds available for the Flood Plain Management Services Program, the conferees have provided $100,000 for a study along the Jacks Defeat Creek watershed in Monroe County, Indiana.

The conference agreement includes $30,432,000 for Corps of Engineers research and development activities. Included in this total is $23,732,000 for the Corps' base research and development program; $1,900,000 for evaluation of environmental investments; $2,000,000 for earthquake engineering; $1,000,000 for zebra mussel control; $1,500,000 for the characterization and restoration of wetlands; and $300,000 for the continuation of the Construction Technology Transfer Project between the Corps of Engineers' research institutions and Indiana State University.

Amendment No. 2: The conference agreement includes language providing $375,000 for the Norco Bluffs, California, project, as provided for in the House and Senate bills; restores House language stricken by the Senate for the Ohio River Greenway, Indiana, project amended to provide $500,000 instead of $1,000,000 as proposed by the House; includes language proposed by the Senate for the Kentucky Lock and Dam, Kentucky, project amended to provide $2,000,000 instead of $2,500,000 as proposed by the Senate; restores House language stricken by the Senate providing $300,000 for the Mussers Dam, Pennsylvania, project; and includes language proposed by the Senate providing $300,000 for the West Virginia Port Development, West Virginia, project. The conference agreement also deletes language contained in the House and Senate bills providing funds for the Indianapolis Central Waterfront, Indiana, project. Funding for this project has been included under Construction, General.

The conference agreement also includes language for a watershed study in the vicinity of Hazard, Kentucky, using previously appropriated funds. The Corps of Engineers is directed to prepare a reconnaissance level study addressing flood control, water supply and water quality needs as well as opportunities for environmental restoration in the Upper Kentucky River basin. In particular, the Corps is directed to evaluate the potential to reallocate excess storage in existing Corps lakes and alternatives thereto, for the purpose of providing additional water supply capability to meet expanding regional needs.

CONSTRUCTION, GENERAL

Amendment No. 3: Appropriates $804,573,000 for Construction, General instead of $807,846,000 as proposed by the House and $778,456,000 as proposed by the Senate.

The conferees understand that the Acting Assistant Secretary of the Army for Civil Works determined on September 1, 1995, that the Army Corps of Engineers will cost share the project for design deficiency correction of the Klamath-Glen Levee in Del Norte County, California, under the same financial terms as the original construction. This is in accordance with the technical conclusions of the Initial Appraisal Report of the San Francisco District Engineer, entitled ''Terwer Creek Erosion, Klamath-Glen Levee, Klamath River, Del Norte County, California'', March 1994. In view of this determination, and so that the necessary repairs can begin as quickly as possible, the Secretary of the Army is directed to utilize funds appropriated in this or prior appropriations Acts for the project.

The Corps of Engineers may allocate up to $150,000 of the funds provided for the Central and Southern Florida Project Review Study or from other sources, for the purpose of initiating a study to determine whether the construction of a wastewater reuse facility in Dade County, Florida, should be incorporated within the overall project authorization upon receipt of necessary approval. Such reuse facility would be intended to increase the supply of surface water to the Everglades system and Everglades National Park, in turn benefiting recreation and enhancing fish and wildlife.

The conference agreement includes $78,800,000 for the Columbia River Juvenile Fish Mitigation, Washington and Oregon, program as proposed by the Senate instead of $68,800,000 as proposed by the House. Of the funds provided, $1,000,000 is available for advanced planning and design for public and private facilities affected by the operation of the John Day project at minimum pool levels. The conferees share the concern of both the Senate and the House regarding the costs and justification for the John Day drawdown as an effective method for salmon recovery. To date, the conferees have not been provided with any scientific evidence supporting the drawdown; therefore, the Administration is directed to provide scientific justification of the project as an effective means of salmon recovery along with any further requests for funding. Considering the extraordinary cost of completing this project, if the Administration does not find significant benefits, the proposal should be abandoned altogether. The conferees also note that the mitigation necessary to lower John Day Reservoir to minimum operating pool will require specific authorization from Congress.

The conferees understand that rapid and substantial improvement in fish passage in the Federal Columbia River power system is a high priority. Accordingly, the conferees direct the Secretary of the Army to independently evaluate annually the performance of the Corps of Engineers in achieving improvements in fish passage and to provide these evaluations to the Committees on Appropriations. The conferees further direct the Corps and the Bonneville Power Administration, in consultation with the National Marine Fisheries Service, to develop a set of recommendations for improving the system by which fish passage improvements are designed, tested and implemented at the Federal projects. These improvements should seek to shorten the time requirements, reduce the costs, and improve the biological success of fish passage projects. The Corps and BPA should submit these recommendations to the Committees on Appropriations within six months of enactment of this Act and should proceed to implement immediately reforms for which they have the authority.

The Secretary of the Army, acting through the Chief of Engineers, is directed to design and construct a Regional Visitors Center in the vicinity of Shreveport, Louisiana, to provide information to the public on the Red River Basin, national and local water resources development of the U.S. Army Corps of Engineers, and the Red River Waterway Project. The Regional Visitors Center is to be constructed using funds appropriated for construction of the Red River Waterway Project, and will be operated and maintained using funds appropriated for operation and maintenance of the waterway.

The conferees wish to emphasize their continued support for the Corps of Engineers Continuing Authorities Programs. These programs, which require only modest amounts of budgetary resources, have proven to be of great value and are particularly important to many small communities throughout the Nation. Therefore, the conferees direct the Secretary of the Army, acting through the Chief of Engineers, to continue the planning, engineering, and design of projects under all of the continuing authorities programs whether or not they will be approved for construction by the end of fiscal year 1996, initiate new projects under normal procedures for the continuing authorities programs, and continue budgeting these programs in fiscal year 1997 and beyond.

For the Emergency Streambank and Erosion Control (Section 14) program, the conferees direct the Corps of Engineers to undertake the projects identified in the House Report. In addition, the conference agreement includes $242,000 for the project to provide erosion protection for the Russell-Allison Levee along the Wabash River in Lawrence County, Illinois, and $325,000 for repair of the Ohio River levee in Marietta, Ohio. For the Small Flood Control Projects (Section 205)

program, the conferees direct the Corps of Engineers to undertake the projects identified in the House and Senate Reports. In addition, the conference agreement including $200,000 for the Corps of Engineers to initiate and complete a feasibility study to control flooding at the town of Sumava Resorts, Indiana, and $65,000 for a feasibility study of the Bellepoint floodwall, Frankfort, Kentucky, project. For the Small Beach Erosion Control (Section 103) program, the conferees direct the Corps of Engineers to undertake the Aqua Hedionda Lagoon project in Carlsbad, California, as described in the House Report. For the Project Modifications for the Improvement of the Environment (Section 1135) program, the conference agreement includes funds for the projects identified in the House Report and also includes $100,000 for the St. Paul Harbor, Alaska, project and $370,000 for the Valdez Harbor, Alaska, project. For the Small Navigation Projects (Section 107) program, the conference agreement includes $1,000,000 for the Ouizinkie Harbor, Alaska, project, $500,000 for the Larsen Bay Harbor, Alaska, project, $200,000 for the Williamsburg, Alaska project, and $250,000 for the Tatitlik Harbor, Alaska, project.

Amendment No. 4: The conference agreement includes language in the bill for the following projects, which were funded at the same level in the House and Senate bills: Sacramento River Flood Control Project (Glenn-Colusa Irrigation District), California ($300,000); Harlan, Kentucky ($12,000,000); Williamsburg, Kentucky ($4,100,000); Middlesboro, Kentucky ($1,600,000); Salyersville, Kentucky ($500,000); Glen Foerd, Pennsylvania ($200,000); Wallisville, Texas ($5,000,000); and Red River Emergency Bank. Protection, Arkansas and Louisiana ($6,600,000).

The conference agreement restores House language stricken by the Senate providing funds for the San Timoteo Creek feature of the Santa Ana River Mainstem, California, project ($5,000,000), and the Indiana Shoreline Erosion, Indiana, project, ($1,500,000).

The conference agreement provides $13,348,000 for the Lake Pontchartrain and Vicinity (Hurricane Protection), Louisiana, project instead of $11,848,000 as proposed by the House and $11,838,000 as proposed by the Senate, provides $2,500,000 for the Red River below Denison Dam, Louisiana, Arkansas, and Texas, project instead of $3,800,000 as proposed by the House and $2,000,000 as proposed by the Senate; and provides $4,100,000 for the Broad Top Region, Pennsylvania, project as proposed by the House instead of $2,000,000 as proposed by the Senate.

The conference agreement includes language proposed by the Senate which provides $3,800,000 for repair and extension of the Homer Spit, Alaska, project; provides $6,000,000 for the McClellan-Kerr Arkansas River Navigation System, Arkansas, project, of which $4,900,000 is for the Montgomery Point Lock and Dam; provides $700,000 for the Arkansas City, Kansas project and waives section 902 of Public Law 99–662; provides $670,000 for the Winfield, Kansas, project; provides $2,300,000 for the Ouachita River Levees, Louisiana, project; provides $710,000 for the Roughans Point, Massachusetts, project; provides $850,000 for the Marshall, Minnesota, project; provides $1,000,000 for the Ste. Genevieve, Missouri, project, provides; $1,100,000 for the Virginia Beach Erosion Control and Hurricane Protection, Virginia, project; provides $2,000,000 for the Hatfield Bottom, West Virginia, project; provides $2,000,000 for the Upper Mingo, West Virginia, project; and provides that $1,120,000 shall be transferred to the Secretary of the Interior for performing operation and maintenance activities at the Columbia River Fishing Access Sites to be constructed in Oregon and Washington.

The conferees have also included language in the bill that directs the Secretary of the Army to acquire all or part of the Little Holland Tract in California for wetlands restoration and waterfowl and fishery habitat enhancement and/or mitigation purposes conditioned on a determination made by the Secretary that acquisition is in the Federal interest; and language that provides $3,500,000 for the South Central Pennsylvania Environmental Restoration project.

The conferees are aware of the need for continued emergency construction on the Red River between Index, Arkansas, and Shreveport, Louisiana. However, due to bank caving problems that may be induced by the previously funded Sulfur Revetment now under construction, the conference agreement includes $6,600,000 to initiate and complete design and construction of the Canale Revetment in lieu of the Dickson Revetment.

The conferees direct the Secretary of the Army, acting through the Chief of Engineers, to extend the levee identified in Plan B of the approved draft specific project report for Williamsburg, Kentucky, dated April 1993, by approximately 2,000 feet upstream using funds provided for this project.

For the Lake Pontchartrain and Vicinity (Hurricane Protection) project, the conference agreement includes an additional $4,000,000 to continue construction of parallel protection along the Orleans and London Avenue outfall canals, and an additional $1,500,000 for the project to intercept and convey landside runoff from Jefferson Parish lakefront levees. The conferees agree that the landside runoff project is not a separable element of the Lake Pontchartrain and Vicinity (Hurricane Protection) project and direct that future budget requests for the Lake Pontchartrain and Vicinity (Hurricane Protection) project include funding for landside runnoff.

The amount provided for the Red River below Denison Dam project includes $500,000 to continue the Bowie County Levee, Texas, portion of the project. The conferees direct the Corps of Engineers to continue to prepare plans and specifications for restoration or replacement of the Bowie County Levee as authorized by the Flood Control Act of 1946 for incorporation into the Federal levee system to provide the same level of protection as the adjoining Miller County Levee in Arkansas under the terms and conditions of section 3 of the Flood Control Act of 1936, Public Law 74–738.

The funds to be transferred to the Secretary of the Interior for Columbia River Fishing Access Sites provide for the capitalized operation and maintenance costs for phase I sites. In addition, the conference agreement includes $600,000 for engineering and design of an additional six Bonneville pool sites planned under phase II.

On September 22, 1995, the Acting Assistant Secretary of the Army for Civil Works advised the House and Senate Committees of a proposal to enter into a Section 215 agreement with the city of Arkansas City, Kansas, to provide for a credit toward the local contribution for certain work to be performed by the city in connection with the authorized Arkansas City flood control project. The conferees have no objection to that proposal and the Secretary may immediately execute the agreement with the understanding that the credit will not exceed the statutory limit of Section 215 of Public Law 90–483, as amended.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

Due to the severe budgetary situation, the conference agreement includes; $307,885,000 for the Flood Control, Mississippi River and Tributaries, project, which is the same as the amount provided by the House and the Senate and $11,365,000 below the budget request. At the same time, the conferees recognize the importance of this project to the Nation. The conferees agree that the reductions made to the individual features within the Mississippi River and Tributaries project were made without prejudice and expect the Corps of Engineers to manage the project, including the reprogramming of funds where necessary, to derive the maximum benefit from the funds provided.

The conferees are aware that the Corps of Engineers no longer requires the use of lands in the Vidalia, Louisiana, area previously used for casting and storage of articulated concrete mats used for construction of the Mississippi River and Tributaries project. In the interest of public safety and environmental restoration, the conferees direct the Corps of Engineers to use up to $900,000 of the funds available for the Mississippi River and Tributaries project to return lands to acceptable environmental condition now that the casting operations have ceased.

OPERATION AND MAINTENANCE, GENERAL

Amendment No. 5: Appropriates $1,703,697,000 for Operation and Maintenance, General instead of $1,712,123,000 as proposed by the House and $1,696,998,000 as proposed by the Senate.

The conferees recognize that flooding in the wake of Typhoon Oscar, which resulted in a Presidential disaster declaration in Southcentral Alaska, devastated the harbor at Seward, Alaska, just as the winter season was approaching. The Corps of Engineers is, therefore, encouraged to expedite work using available funds, including such contractual economies of effort with the City of Seward and the State of Alaska as are necessary in the judgment of the District Engineer, to restore full use to the port and port facilities impacted by the flooding.

The conference agreement includes $280,000 for the Pearl River, Mississippi and Louisiana, project, the same as the budget request. These funds are to be used to maintain the project in caretaker status and correct any safety problems, including lighting and boat trolley system improvements, at Pool's Bluff Sill and other lock locations.

Upon resolution of the status of the section 401 permit, the Corps of Engineers may use $250,000 of available funds to resume design work on the proposed expansion of the Renard Isle confined disposal facility at Green Bay Harbor, Wisconsin.

Amendment No. 6: Provides $5,926,000 for the Raystown Lake, Pennsylvania, project as proposed by the House instead of $3,426,000 as proposed by the Senate.

Amendment No. 7: Inserts language proposed by the Senate which directs the Secretary of the Army to maintain a minimum conservation pool of 475.5 feet at the Wister Lake, Oklahoma, project.

REGULATORY PROGRAM

The conferees agree wit the language contained in the House and Senate Reports for the Regulatory Program of the Corps of Engineers. In addition, the conferees understand that the Corps of Engineers has under review an application by the City of East Chicago, Indiana, for the construction of a breakwater in Lake Michigan. The conferees expect the Corps to work with the city toward an expeditious resolution to the permitting process.

GENERAL EXPENSES

Amendment No. 8: Appropriates $151,500,000 for General Expenses instead of $150,000,000 as proposed by the House and $153,000,000 as proposed by the Senate and provides that the funds shall remain available until expended as proposed by the Senate.

Amendment No. 9: Restores language proposed by the House and stricken by the Senate limiting the funds available for general administration and related functions in the Office of the Chief of Engineers with an amendment providing that not to exceed $62,000,000 shall be available for that purpose instead of $60,000,000 as proposed by the House.

Amendment No. 10: Inserts language proposed by the Senate which provides that the plan for reducing the number of division offices which the Secretary of the Army is directed to develop and submit to the Congress shall be submitted to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives and amends language contained in the House and Senate bills which provides that the division office plan shall not change the function of any district office by adding the words ''any civil'' before ''function''. This amendment is necessary to clarify that it is not the intent of the conferees to prohibit the Corps of Engineers from making necessary adjustments in mission and function of districts handling military construction to accommodate the shrinking military workload.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

Amendment No. 11: Deletes language proposed by the House and stricken by the Senate which provides that the Corps of Engineers shall advertise for competitive bid at least 7,500,000 cubic yards of the hopper dredge volume accomplished with Government-owned dredges in fiscal year 1992 and which further provides that none of the funds available to the Corps of Engineers may be used to undertake improvements or major repair of the hopper dredge McFARLAND and inserts similar language proposed by the Senate. The Senate language differs from the House language in that it permits the Corps of Engineers to expend funds to maintain the McFARLAND's current operational condition and in that it includes an additional subsection relating to the use of the four Corps of Engineers hopper dredges, which has been amended by the conference agreement to provide that if any of the Corps' hopper dredges is removed from normal service for repair or rehabilitation, the Secretary of the Army shall not significantly alter the operating schedules of the remaining dredges.

Amendment No. 12: Inserts language proposed by the Senate which provides that none of the funds appropriated in this Act or otherwise available to the Corps of Engineers may be used for activities associated with moving the Corps' headquarters office to the Southeast Federal Center with an amendment which clarifies that this limitation on the use of funds does not apply to the use of funds required to process any Department of the Army permits, and makes technical corrections to Section 102, which modifies the authorization for the Manistique Harbor, Michigan, project.

Amendment No. 13: Inserts language proposed by the Senate which modifies the authorization for the Petersburg, West Virginia, project by increasing the total estimated cost to $26,600,000, with an estimated first Federal cost of $19,195,000 and an estimated first non-Federal cost of $7,405,000.

Amendment No. 14: Inserts language proposed by the Senate which authorizes the Secretary of the Army to accept from a non-Federal sponsor additional lands, not to exceed 300 acres, at the Cooper Lake and Channels, Texas, project and further authorizes the Secretary, upon acceptance of those lands, to redesignate an amount of mitigation lands, not to exceed 300 acres, to recreation purposes. The amendment also provides that the lands accepted from the non-Federal sponsor shall provide habitat value at least equal to that provided by the lands redesignated to recreation purposes and that all costs of work to be undertaken pursuant to the amendment shall be borne by the donating sponsor.

Amendment No. 15: Deletes language proposed by the Senate which directs the Secretary of the Army to take such actions as are necessary to obtain and maintain an elevation of 977 feet above sea level at the Lake Traverse, South Dakota and Minnesota, project and inserts the new sections described below.

Section 106 authorizes the Secretary of the Army to undertake the Indianapolis, Indiana, project authorized by Section 5 of Public Law 74–738 as modified to include certain riverfront alterations as described in the Corps of Engineers Central Indianapolis Waterfront Concept Master Plan, dated February, 1994. Non-Federal funds expended on or after the date of the Corps of Engineers report on items and outlined for construction in the Corps' document shall be applied to the non-Federal cost-sharing requirements.

Section 107 modifies section 313 of the Water Resources Development Act of 1992, the South Central Pennsylvania Environmental Restoration Infrastructure and Resource Protection Development Pilot Program. The modification includes changes to the consultation requirements to reflect a revised geographic scope, an increase in the authorized funding level, and several technical changes. The conferees have also included $3,500,000 under the Construction, General account to accomplish high priority work under the section 313 authority.

Section 108 authorizes and directs the Secretary of the Army to proceed with engineering, design, and construction of projects to provide for flood control and improvements to rainfall drainage systems in Jefferson, Orleans, and St. Tammany Parishes in Louisiana. The conferees are aware of the disastrous floods due to torrential rainfalls that occurred in southeast Louisiana in May of 1995, which resulted in the loss of seven lives, inundation of over 35,000 homes, and estimated property and infrastructure losses exceeding $3,000,000,000. This event produced the second highest number of flood insurance claims ever for a flood event. In addition, between 1978 and 1989, flood insurance claims for this area totaled $227,000,000. Therefore, because of the urgent need to prevent such disasters from recurring, the conferees have directed the Secretary of the Army to proceed immediately with economically justified flood control improvements that have been identified in reports of the Corps of Engineers' New Orleans District Engineer. No further feasibility studies are required for the projects authorized in this section. The conferees intend that the cost-sharing requirement. Between the Federal and non-Federal interests be consistent with the provisions for flood control and hurricane protection projects, as appropriate, in the Water Resources Development Act of 1986, except that the non-Federal sponsor shall receive credit, as part of the non-Federal share of the cost of these projects, for any work accomplished subsequent to those reports as determined by the Secretary of the Army to be a compatible and integral part of the projects. The projects include, but are not limited to, pumping station and channel improvements in Jefferson and Orleans Parishes, channel improvements along Mile Creek in Covington, hurricane protection along the Lake Pontchartrain shoreline in Mandeville, and hurricane protection and improved drainage in the Schneider Canal area in Slidell. An amount of $25,000,000 has been authorized for the Corps to proceed with work on these projects.

Section 109 directs the Secretary of the Army to convey land at the Dewey Lake, Kentucky, project to the City of Prestonburg, Kentucky, for the development of public use recreational facilities and to further regional economic development.

Amendment No. 16: Inserts language proposed by the Senate which authorizes the Secretary of the Army to undertake the Coos Bay, Oregon, project in accordance with the Report of the Chief of Engineers, dated June 30, 1994, at a total cost of $14,541,000, with an estimated Federal cost of $10,777,000 and an estimated non-Federal cost of $3,764,000, and changes the section number.

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	ALABAMA				
(N)	ALABAMA RIVER BELOW CLAIBORNE L&D, AL	238,000	---	238,000	---
	ALASKA				
(N)	ANIAK, AK	---	---	50,000	---
(N)	ANCHOR POINT HARBOR, AK	208,000	---	208,000	---
(SPE)	CHENA RIVER WATERSHED STUDY, AK	200,000	---	100,000	---
(N)	CHIGNIK HARBOR, AK	---	237,000	---	237,000
(N)	COOK INLET, AK	70,000	---	70,000	---
(N)	KAKE HARBOR, AK	---	186,000	---	186,000
(N)	KUSKOKWIM RIVER, AK	175,000	---	175,000	---
(N)	NOME HARBOR, AK	200,000	---	280,000	---
(N)	NORTHERN SEA ROUTE, AK	100,000	---	100,000	---
(N)	ST PAUL HARBOR, AK	100,000	---	150,000	---
(N)	WRANGELL, AK	---	---	175,000	---
	ARIZONA				
(RCP)	ALAMO LAKE, ARIZONA	200,000	---	200,000	---
(FDP)	GILA RIVER & TRIBUTARIES, N SCOTTSDALE DRAINAGE AREA	400,000	---	450,000	---
	GILA RIVER & TRIBUTARIES, SANTA CRUZ RIVER BASIN	---	---	100,000	---
(FDP)	GILA RIVER, GILLESPIE DAM TO YUMA, AZ	400,000	---	400,000	---
(FDP)	GILA RIVER, TORTOLITA DRAINAGE AREA, AZ	200,000	---	300,000	---
	RIO DE FLAG, AZ	---	---	200,000	---
(FDP)	RIO SALADO, SALT RIVER, AZ	300,000	---	300,000	---
(FDP)	TUCSON DRAINAGE AREA, AZ	180,000	---	180,000	---
	ARKANSAS				
	ARKANSAS RIVER LEVEE, PLUM BAYOU, AR	---	---	300,000	---
	ARKANSAS RIVER, TUCKER CREEK, AR	---	---	280,000	---
(FDP)	MAY BRANCH, FORT SMITH, AR	250,000	---	250,000	---
(FDP)	MCKINNEY BAYOU, AR & TX	450,000	---	450,000	---
	CALIFORNIA				
(FC)	AMERICAN RIVER WATERSHED, CA	---	3,000,000	---	3,000,000
(SPE)	CENTRAL BASIN GROUNDWATER PROJECT, CA	375,000	---	375,000	---
	CITY OF ARCADIA WATER INFRASTRUCTURE RESTORATION, CA	---	---	300,000	---
(SP)	CITY OF ENCINITAS, CA	169,000	---	169,000	---
(N)	CRESCENT CITY HARBOR, CA	250,000	---	250,000	---
(N)	CRESCENT CITY HARBOR, CA	---	50,000	---	50,000
(N)	HUMBOLDT HARBOR AND BAY (DEEPENING), CA	---	410,000	---	410,000
	IMPERIAL COUNTY WATERSHED, CA	---	---	150,000	---
(SPE)	LACDA WATER CONS & SUP(HANSEN & LOPEZ DAMS), CA	400,000	---	400,000	---
(SPE)	LACDA WATER CONS & SUP(WHITTIER NARROWS & SANTA FE DAM	460,000	---	460,000	---
(SP)	MALIBU COASTAL AREA, CA	200,000	---	200,000	---
(FDP)	MARIN COUNTY SHORELINE, SAN CLEMENTE CREEK, CA	234,000	---	234,000	150,000

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(N)	MARINA DEL REY AND BALLONA CREEK, CA	200,000	---	200,000	---
(FDP)	N CA STREAMS, CACHE CREEK ENVIRONMENTAL RESTORATION, C	200,000	---	200,000	---
	N CA STREAMS, MIDDLE CREEK, CA	---	---	300,000	---
(FDP)	N CA STREAMS, SACRAMENTO RIVER FISH MIGRATION, CA	300,000	---	300,000	---
(FDP)	N CA STREAMS, WINTERS & VICINITY, CA	200,000	---	200,000	---
(FDP)	N CA STREAMS, YUBA RIVER BASIN, CA	100,000	---	100,000	---
(FC)	NAPA RIVER, CA	---	787,000	---	787,000
	NAPA RIVER, SALT MARSH RESTORATION, CA	---	---	200,000	---
(N)	NEWPORT BAY HARBOR, CA	250,000	---	250,000	---
	NORCO BLUFFS, CA	---	---	375,000	---
(N)	NOYO RIVER AND HARBOR (BREAKWATER), CA	---	559,000	---	559,000
(FC)	PAJARO RIVER AT WATSONVILLE, CA	---	500,000	---	500,000
	PENINSULA BEACH, CA	---	---	200,000	---
(N)	PILLAR POINT HARBOR, CA	225,000	---	225,000	---
(N)	PORT HUENEME, CA	300,000	---	300,000	---
(N)	PORT OF LONG BEACH (DEEPENING), CA	---	750,000	---	750,000
	RUSSIAN RIVER ENVIRONMENTAL RESTORATION, CA	---	---	100,000	---
(SPE)	SACRAMENTO - SAN JOAQUIN DELTA, CA	800,000	---	800,000	---
(FDP)	SACRAMENTO - SAN JOAQUIN DELTA, LITTLE HOLLAND TRACT,	290,000	---	290,000	---
(FDP)	SACRAMENTO - SAN JOAQUIN DELTA, PROSPECT ISLAND, CA	100,000	---	100,000	---
	SACRAMENTO - SAN JOAQUIN DELTA, WESTERN DELTA TRACT	---	---	200,000	---
(FDP)	SAN ANTONIO CREEK, CA	150,000	---	250,000	---
(SP)	SAN DIEGO COUNTY, CITIES OF OCEANSIDE AND CALSBAD, CA.	300,000	---	300,000	---
(N)	SAN FRANCISCO BAY BAR CHANNEL, CA	240,000	---	---	---
(SP)	SAN FRANCISCO COUNTY, OCEAN BEACH, CA	125,000	---	125,000	---
(N)	SAN FRANCISCO HARBOR, CA	100,000	---	100,000	---
(FDP)	SAN JOAQUIN R BASIN, PINE FLAT DAM, F&WL HABITAT RESTO	500,000	---	500,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, ARROYO PASAJERO (FRESNO CO),	700,000	---	700,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, CALIENTE CREEK STREAM GROUP,	171,000	---	171,000	---
	SAN JOAQUIN RIVER BASIN, FIREBAUGH AND MENDOTA, CA	---	---	150,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, KAWEAH RIVER, CA	40,000	---	40,000	200,000
(FDP)	SAN JOAQUIN RIVER BASIN, SOUTH SACRAMENTO COUNTY STRMS	500,000	---	500,000	---
	SAN JOAQUIN RIVER BASIN, STOCKTON METROPOLITAN AREA, C	---	---	400,000	---
	SAN JOAQUIN RIVER BASIN, TULE RIVER, CA	---	---	200,000	---
	SAN JUAN AND ALISO CREEKS, CA	---	---	150,000	---
(FC)	SAN LORENZO RIVER, CA	---	100,000	---	100,000
(FC)	SAN RAFAEL CANAL, CA	---	250,000	---	250,000
(FDP)	SANTA BARBARA COUNTY STREAMS, CA	81,000	---	81,000	---
(N)	SANTA BARBARA HARBOR, CA	---	50,000	---	50,000
(N)	SANTA MONICA BREAKWATER, CA	---	350,000	---	350,000
(FDP)	SEVEN OAKS AND PRADO DAMS WATER CONSERVATION, CA	265,000	---	265,000	---
(N)	SF BAY, LEONARD RANCH (DISPOSAL), CA	150,000	---	150,000	---
(N)	SOUTHAMPTON SHOAL CHANNEL, CA	240,000	---	---	---
(FDP)	UPPER GUADALUPE RIVER, CA	285,000	---	285,000	---
	UPPER PENITENCIA CREEK, CA	---	---	300,000	---
	VENTURA AND SANTA BARBARA COUNTY SHORELINE, CA	---	---	200,000	---
(FDP)	WHITEWATER RIVER BASIN, CA	370,000	---	370,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	CONNECTICUT				
(FDP)	CENTRAL CONNECTICUT COASTAL FLOODING, CT.....	65,000	---	65,000	---
	DELAWARE				
(N)	C&D CANAL - BALTIMORE HBR CONN CHANNELS, DE & MD (DEEP	57,000	---	57,000	---
(SP)	DELAWARE BAY COASTLINE, DE & NJ.....	880,000	---	880,000	---
(SP)	DELAWARE COAST FROM CAPE HENLOPEN TO FENWICK ISLAND, D	145,000	---	145,000	---
(N)	DELAWARE RIVER MAIN CHANNEL DEEPENING, DE, NJ, & PA...	---	780,000	---	780,000
	DISTRICT OF COLUMBIA				
(FC)	WASHINGTON, DC & VICINITY.....	---	200,000	---	200,000
	FLORIDA				
	ATLANTIC INTRACOASTAL WW, PALM BEACH COUNTY, FL.....	---	---	---	150,000
(SP)	BREVARD COUNTY, FL.....	107,000	---	107,000	---
(FDP)	COAST OF FLORIDA STUDY, FL.....	750,000	---	650,000	---
(SP)	DAYTONA BEACH SHORES, FL.....	112,000	---	112,000	---
(N)	HILLSBORO INLET, FL.....	---	300,000	---	300,000
(N)	JACKSONVILLE HARBOR, FL.....	414,000	---	414,000	---
	LIDO SARASOTA BEACH, FL.....	---	---	100,000	---
(BE)	PANAMA CITY BEACHES, FL.....	---	415,000	---	415,000
(N)	PANAMA CITY HARBOR, FL.....	---	285,000	---	285,000
(N)	PONCE DE LEON INLET, FL.....	233,000	---	233,000	---
(N)	ST LUCIE INLET, FL.....	---	400,000	---	400,000
	GEORGIA				
(SPE)	ATLANTA WATERSHED STUDY, GA.....	350,000	---	250,000	---
(N)	BRUNSWICK HARBOR, GA.....	300,000	---	300,000	---
(N)	LOWER SAVANNAH RIVER BASIN, GA & SC.....	25,000	---	25,000	---
(N)	LOWER SAVANNAH RIVER BASIN, GA & SC.....	---	250,000	---	250,000
(RCP)	NEW SAVANNAH BLUFF LOCK & DAM, GA.....	130,000	---	---	---
(N)	SAVANNAH HARBOR EXTENSION, GA.....	332,000	---	332,000	---
	HAWAII				
(N)	BARBERS POINT HARBOR MODIFICATION, OAHU, HI.....	200,000	---	200,000	---
(N)	KIKIAOLA SMALL BOAT HARBOR, KAUAI, HI.....	---	170,000	---	170,000
(N)	MAUI SECOND HARBOR, MAUI, HI.....	130,000	---	130,000	---
(FDP)	WAILUPE STREAM FLOOD CONTROL STUDY, OAHU, HI.....	200,000	---	200,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	ILLINOIS				
(FDP)	ALEXANDER AND PULASKI COUNTIES, IL	175,000	---	175,000	---
(BE)	CHICAGO SHORELINE, IL	---	400,000	---	400,000
(FDP)	DES PLAINES RIVER, IL	362,000	---	362,000	---
(RDP)	FREEPORT, IL	108,000	---	108,000	---
(FC)	NUTWOOD DRAINAGE AND LEVEE DISTRICT, IL	---	150,000	---	150,000
(RCP)	SNY ISLAND, IL	248,000	---	248,000	---
(FDP)	SOUTHEAST CHICAGO, IL	200,000	---	200,000	---
(RCP)	UPPER MISSISSIPPI & ILLINOIS NAV STUDY, IL, IA, MN, MO	6,205,000	---	6,205,000	---
(RDP)	WAUKEGAN HARBOR, IL	25,000	---	25,000	---
	INDIANA				
(FDP)	INDIANAPOLIS, WHITE RIVER (NORTH), IN	55,000	---	55,000	200,000
(FDP)	LITTLE CALUMET RIVER BASIN, CALUMET TOWNSHIP, IN	100,000	---	100,000	---
(FDP)	LITTLE CALUMET RIVER BASIN, DYER, IN	60,000	---	60,000	---
(FDP)	OHIO RIVER FLOOD PROTECTION (INDIANA SHORELINE), IN	275,000	---	---	---
	OHIO RIVER GREENWAY, IN	---	---	---	500,000
(FDP)	WABASH RIVER BASIN COMPREHENSIVE, IN & IL (MIDDLE REAC	153,000	---	228,000	---
	IOWA				
(FDP)	CORALVILLE LAKE, IA	---	---	100,000	---
(FDP)	MISSISSIPPI RIVER LEVEES, IA, IL & MO	50,000	---	50,000	---
	KANSAS				
(FDP)	GRAND (NEOSHO) RIVER, KS	---	---	500,000	---
(RCP)	MISSOURI RIVER LEVEE SYSTEM, UNITS L455 & R460-471, KS	475,000	---	475,000	---
(RCP)	SALINA, KS	200,000	---	200,000	---
(RCP)	TOPEKA, KS	150,000	---	150,000	---
(FDP)	TURKEY CREEK BASIN, KS & MO	111,000	---	111,000	---
(RCP)	WILSON LAKE, KS	100,000	---	100,000	---
(FC)	WINFIELD, KS	---	670,000	---	---
	KENTUCKY				
	GREEN RIVER LOCK AND DAM NO. 6	---	---	50,000	---
(N)	KENTUCKY LOCK AND DAM ADDITION, KY	---	---	---	2,000,000
(N)	MCALPINE LOCKS AND DAM, KY & IN	---	1,487,000	---	---
	METROPOLITAN LEXINGTON, FAYETTE COUNTY, KY	---	---	400,000	---
(FDP)	METROPOLITAN LOUISVILLE, BEARGRASS CREEK, KY	270,000	---	270,000	---
(FC)	METROPOLITAN LOUISVILLE, POND CREEK, KY	---	300,000	---	300,000
(FDP)	METROPOLITAN LOUISVILLE, SOUTHWEST, KY	100,000	---	100,000	---
(FDP)	METROPOLITAN REGION OF CINCINNATI, NORTHERN KENTUCKY,	300,000	---	300,000	---
(N)	UNIONTOWN/OHIO RIVER MAINSTEM STUDY, KY, IL & IN	2,600,000	---	2,600,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	LOUISIANA				
	AMITE RIVER AND TRIBUTARIES	---	---	200,000	---
(FDP)	BAYOU BARTHOLOMEW, LA	100,000	---	100,000	---
(FC)	COMITE RIVER, LA	---	160,000	---	160,000
(FC)	EAST BATON ROUGE PARISH, LA	---	900,000	---	900,000
(N)	INTRACOASTAL WATERWAY LOCKS, LA	500,000	---	500,000	---
(FDP)	JEFFERSON PARISH, LA	800,000	---	800,000	---
(FDP)	LAFAYETTE PARISH, LA	34,000	---	234,000	---
(N)	LAKE CHARLES SHIP CHAN, BY-PASS AND GEN ANCHORAGE AREA	47,000	---	587,000	---
(N)	MISSISSIPPI RIVER SHIP CHANNEL, LA	---	---	300,000	---
(N)	MISSISSIPPI RIVER - GULF OUTLET BANK EROSION, LA	25,000	---	25,000	---
(FDP)	ORLEANS PARISH, LA	60,000	---	60,000	---
(N)	PORT FOURCHON, LA	---	100,000	---	100,000
(FC)	WEST BANK - EAST OF HARVEY CANAL, LA	---	1,100,000	---	1,100,000
	WEST SHORE - LAKE PONTCHARTRAIN, LA	---	---	500,000	---
	MARYLAND				
(FC)	ANACOSTIA RIVER & TRIBUTARIES, MD & DC	---	1,100,000	---	1,100,000
(FDP)	ANACOSTIA RIVER AND TRIBUTARIES, MD & DC	450,000	---	450,000	---
(SPE)	ANACOSTIA RIVER FEDERAL WATERSHED IMPACT ASSESS, MD &.	300,000	---	200,000	---
(N)	BALTIMORE HARBOR ANCHORAGES & CHANNELS, MD	---	50,000	---	50,000
(N)	BALTIMORE HARBOR ANCHORAGES AND CHANNELS, MD	291,000	---	291,000	---
(FDP)	BALTIMORE METROPOLITAN WATER RESOURCES STUDY, MD	500,000	---	500,000	---
(SPE)	CHESAPEAKE BAY TIME VARIABLE MODEL, MD, VA, PA & DC	335,000	---	335,000	---
(RCP)	JENNINGS RANDOLPH LAKE - REALLOCATION, MD & VA	200,000	---	200,000	---
(SPE)	LOWER EASTERN SHORE, MD & DE	250,000	---	---	---
(N)	OCEAN CITY, MD AND VICINITY	850,000	---	850,000	---
(FDP)	PATUXENT RIVER WATER RESOURCES, MD	350,000	---	350,000	---
(N)	SMITH ISLAND ENVIRONMENTAL RESTORATION, MD	300,000	---	150,000	---
	MASSACHUSETTS				
(FDP)	BLACKSTONE RIVER WATERSHED RESTORATION, MA & RI	300,000	---	100,000	---
(N)	BOSTON HARBOR, MA	---	185,000	---	185,000
	MICHIGAN				
	SAULT STE MARIE, MI	---	---	---	200,000
	MINNESOTA				
(FDP)	CROOKSTON, MN	150,000	---	150,000	---
(SPE)	POMME DE TERRE RIVER - MINNESOTA RIVER VALLEY, MN	75,000	---	---	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	MISSISSIPPI				
(FDP)	HANCOCK, HARRISON AND JACKSON COUNTIES, MS	62,000	---	62,000	---
	JACKSON METROPOLITAN AREA, MS	---	---	---	1,299,000
(N)	LOWNDES COUNTY PORT BARGE FLEETING AREA, MS	100,000	---	100,000	---
	MISSOURI				
(FC)	BLUE RIVER BASIN, KANSAS CITY, MO	---	10,000	---	10,000
	FABIUS RIVER DRAINAGE DISTRICT, MO	---	---	125,000	---
(FDP)	ST LOUIS REGION, MO	150,000	---	150,000	---
(FDP)	SWOPE PARK INDUSTRIAL AREA, KANSAS CITY, MO	144,000	---	144,000	---
	NEBRASKA				
(FDP)	ANTELOPE CREEK, LINCOLN, NE	90,000	---	90,000	---
(FDP)	LOWER PLATTE RIVER & TRIBS, NE	441,000	---	441,000	---
(FC)	WOOD RIVER, GRAND ISLAND, NE	---	200,000	---	200,000
	NEVADA				
(FDP)	LOWER TRUCKEE RIVER, NV	---	---	400,000	---
	NEW JERSEY				
	BARNEGAT INLET TO LITTLE EGG INLET, NJ	---	---	550,000	---
(SP)	BRIGANTINE INLET TO GREAT EGG HARBOR INLET, NJ	115,000	---	115,000	---
(SP)	GREAT EGG INLET TO TOWNSEND INLET, NJ	290,000	---	290,000	---
(SP)	LOWER CAPE MAY MEADOWS - CAPE MAY POINT, NJ	350,000	---	350,000	---
(FC)	LOWER SADDLE RIVER, BERGEN COUNTY, NJ	---	963,000	---	963,000
(SP)	MANASQUAN INLET TO BARNEGAT INLET, NJ	290,000	---	290,000	---
(N)	NEW YORK HBR AND ADJACENT CHANNELS, CLAREMONT TERMINAL	---	400,000	---	400,000
(SP)	RARITAN BAY AND SANDY HOOK BAY (CLIFFWOOD BEACH), NJ	52,000	---	52,000	---
(SP)	RARITAN BAY AND SANDY HOOK BAY, NJ	620,000	---	620,000	---
(FC)	RARITAN RIVER BASIN, GREEN BROOK SUB-BASIN, NJ	---	3,600,000	---	3,600,000
(FDP)	SOUTH RIVER, RARITAN RIVER BASIN, NJ	25,000	---	300,000	---
(SPE)	STONY BROOK, PRINCETON TOWNSHIP, NJ	250,000	---	---	---
(SP)	TOWNSENDS INLET TO CAPE MAY INLET, NJ	80,000	---	80,000	---
	NEW MEXICO				
(FDP)	ESPANOLA VALLEY, RIO GRANDE AND TRIBUTARIES, NM	118,000	---	118,000	---
(FC)	LAS CRUCES, EL PASO AND VICINITY, NM	---	200,000	---	200,000
(SPE)	RIO DE CHAMA, ABIQUIU DAM TO ESPANOLA, NM	232,000	---	232,000	---
(FDP)	ROCKY ARROYO/DARK CANYON, PECOS RIVER AND TRIBUTARIES,	45,000	---	45,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	NEW YORK				
(N)	ARTHUR KILL CHANNEL - HOWLAND HOOK MARINE TERMINAL, NY	---	400,000	---	800,000
(SP)	ATLANTIC COAST OF NEW YORK, NY	1,400,000	---	1,400,000	---
(N)	HUDSON RIVER HABITAT RESTORATION, NY	350,000	---	350,000	---
(SP)	JAMAICA BAY, MARINE PARK AND PLUMB BEACH, NY	350,000	---	350,000	---
(N)	LAKE MONTAUK HARBOR, NY	195,000	---	195,000	---
(BE)	LONG BEACH ISLAND, NY	---	525,000	---	525,000
(N)	MATTITUCK HARBOR, NY	250,000	---	---	---
(SP)	MONTAUK POINT, NY	125,000	---	125,000	---
(N)	NEW YORK HARBOR ANCHORAGE AREAS, NY	100,000	---	100,000	---
(SP)	NORTH SHORE OF LONG ISLAND, NY	26,000	---	26,000	---
(SPE)	ONONDAGA LAKE, NY	95,000	---	95,000	---
(N)	RARITAN BAY ANCHORAGES, NY AND NJ CHANNELS, NY & NJ	100,000	---	100,000	---
(N)	REYNOLD'S CHANNEL AND NEW YORK STATE BOAT CHANNEL, NY.	170,000	---	170,000	---
(SP)	SOUTH SHORE OF STATEN ISLAND, NY	30,000	---	330,000	---
(FDP)	SUSQUEHANNA RIVER BASIN WATER MANAGEMENT, NY, PA & MD.	290,000	---	290,000	---
(SP)	YONKERS SHORELINE, NY	332,000	---	332,000	---
	NORTH CAROLINA				
(FC)	BRUNSWICK COUNTY BEACHES, NC	---	500,000	---	500,000
(N)	CAPE FEAR - NORTHEAST (CAPE FEAR) RIVER, NC	400,000	---	400,000	---
(SP)	DARE COUNTY BEACHES, NC	290,000	---	290,000	---
(N)	WILMINGTON HARBOR, CHANNEL WIDENING, NC	---	570,000	---	570,000
	NORTH DAKOTA				
(SPE)	DEVILS LAKE, ND	125,000	---	600,000	---
(FDP)	GRAND FORKS, ND	225,000	---	225,000	---
	OHIO				
(FC)	METROPOLITAN REGION OF CINCINNATI, DUCK CREEK, OH, KY.	---	300,000	---	300,000
	OKLAHOMA				
(FDP)	CIMARRON RIVER AND TRIBS, OK, NM, CO, & KS	350,000	---	---	---
(RCP)	OPTIMA LAKE, OK	100,000	---	---	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	OREGON				
(N)	COLUMBIA RIVER NAVIGATION CHANNEL DEEPENING, OR & WA..	900,000	---	900,000	---
(FDP)	COLUMBIA SLOUGH, OR.....	55,000	---	55,000	---
(FDP)	JOHNSON CREEK, OR.....	200,000	---	200,000	---
(FDP)	MIDDLE FORK WILLAMETTE FISHERY RESTORATION, OR.....	350,000	---	350,000	---
(FDP)	SOUTH SANTIAM FISHERY RESTORATION, OR.....	35,000	---	35,000	---
(SPE)	WALLA WALLA RIVER WATERSHED, OR & WA.....	100,000	---	100,000	---
(FDP)	WILLAMETTE RIVER BASIN REVIEW, OR.....	500,000	---	500,000	---
(MP)	WILLAMETTE RIVER TEMPERATURE CONTROL, OR.....	---	1,000,000	---	1,000,000
	PENNSYLVANIA				
(FC)	CHARTIERS CREEK, PA.....	---	570,000	---	570,000
(COM)	CONEMAUGH RIVER BASIN, PA.....	200,000	---	200,000	---
(FDP)	JUNIATA RIVER BASIN, PA.....	50,000	---	50,000	---
(FDP)	MILTON, PA.....	15,000	---	15,000	---
	MUSSERS DAM, MIDDLE CREEK, SNYDER CO, PA.....	---	---	---	300,000
(RCP)	YOUGHIOGHENY LAKE - SEC 216.....	250,000	---	200,000	---
	PUERTO RICO				
(FC)	ARECIBO RIVER, PR.....	---	281,000	---	281,000
(FC)	RIO GRANDE DE LOIZA, PR.....	---	453,000	---	453,000
	SOUTH CAROLINA				
(N)	CHARLESTON HARBOR, SC (DEEPENING/WIDENING).....	158,000	---	158,000	---
(N)	GEORGETOWN HARBOR, SC.....	300,000	---	300,000	---
(N)	SANTEE, COOPER, CONGAREE RIVERS, SC.....	300,000	---	300,000	---
(FDP)	WACCAMAW RIVER, SC.....	300,000	---	---	---
	SOUTH DAKOTA				
(FC)	BIG SIOUX RIVER, SIOUX FALLS, SD.....	---	390,000	---	390,000
(SPE)	JAMES RIVER ENVIRONMENTAL, SD.....	10,000	---	10,000	---
(FC)	WATERTOWN AND VICINITY, SD.....	---	20,000	---	20,000
	TENNESSEE				
	BLACK FOX, MURFREE AND OAKLAND SPRINGS WETLANDS, TN...	---	---	---	200,000
(FDP)	METRO CENTER LEVEE, DAVIDSON CO, NASHVILLE, TN.....	400,000	---	400,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	TEXAS				
	ALPINE, TX	---	---	300,000	---
(FC)	BRAYS BAYOU, HOUSTON, TX	---	500,000	---	500,000
(RDP)	BUFFALO BAYOU & TRIBUTARIES - ADDICKS & BARKER RESERVO	50,000	---	50,000	---
	COLONIAS ALONG U.S. - MEXICO BORDER, TX	---	---	---	300,000
(N)	CORPUS CHRISTI SHIP CHANNEL, TX	100,000	---	100,000	---
(FC)	CYPRESS CREEK, HOUSTON, TX	---	300,000	---	300,000
(SPE)	CYPRESS VALLEY WATERSHED, TX	50,000	---	50,000	---
(FC)	DALLAS FLOODWAY EXTENSION, TRINITY RIVER, TX	---	500,000	---	500,000
(N)	GIWW - ARANSAS NATIONAL WILDLIFE REFUGE, TX	---	750,000	---	750,000
(RDP)	GIWW - HIGH ISLAND TO BRAZOS RIVER, TX (SECTION 216)	300,000	---	300,000	---
(RCP)	GIWW - PORT O'CONNOR TO CORPUS CHRISTI BAY, TX	150,000	---	---	---
(RDP)	GIWW-CC BAY TO PORT ISABEL, TX AA642	400,000	---	400,000	---
(FC)	GREENS BAYOU, HOUSTON, TX	---	300,000	---	300,000
(N)	HOUSTON - GALVESTON NAVIGATION CHANNELS, TX	---	1,100,000	---	1,100,000
(N)	NECHES RIVER & TRIBS SALTWATER BARRIER, TX	---	100,000	---	100,000
(FDP)	PECAN BAYOU, BROWNWOOD, TX	150,000	---	150,000	---
(FDP)	PLAINVIEW, BRAZOS RIVER BASIN, TX	30,000	---	30,000	---
(FC)	SOUTH MAIN CHANNEL, TX	---	900,000	---	900,000
(FDP)	UPPER TRINITY RIVER BASIN, TX	304,000	---	304,000	---
	UTAH				
	PROVO AND VICINITY, UT	---	---	450,000	---
(FC)	UPPER JORDAN RIVER, UT	---	100,000	---	100,000
	VIRGIN ISLANDS				
(RDP)	CROWN BAY CHANNEL, VI	150,000	---	150,000	---
	VIRGINIA				
(N)	AIWW BRIDGE AT GREAT BRIDGE, VA	---	1,000,000	---	1,000,000
	CHESAPEAKE BAY SHORELINE, POQUOSON, VA	---	---	100,000	---
(SPE)	EASTERN SHORE, ACCOMACK AND NORTHAMPTON COUNTIES, VA	248,000	---	248,000	---
(RCP)	JOHN H KERR LAKE, VA & NC	350,000	---	250,000	---
(SPE)	NANSEMOND RIVER BASIN, SUFFOLK, VA	370,000	---	370,000	---
(BE)	SANDBRIDGE, VIRGINIA BEACH, VA	---	470,000	---	470,000
	WASHINGTON				
(SPE)	CHIEF JOSEPH POOL RAISE, WA	400,000	---	400,000	---
(COM)	DUWAMISH AND GREEN RIVER, WA	300,000	---	300,000	---
(RCP)	HOWARD HANSON DAM (ADDITIONAL STORAGE), WA	400,000	---	400,000	---
(RDP)	MOUNT ST HELENS ENVIRONMENTAL RESTORATION, WA	15,000	---	---	---
(N)	PUGET SOUND CONFINED DISPOSAL SITES, WA	98,000	---	98,000	---
(COM)	STILLAGUAMISH RIVER, WA	200,000	---	200,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	WEST VIRGINIA				
(FDP)	CHEAT RIVER BASIN, WV	65,000	---	65,000	---
(N)	KANAWHA RIVER NAVIGATION, WV	703,000	---	703,000	---
(N)	MARMET LOCKS AND DAM, WV	---	5,319,000	---	5,319,000
(N)	MONONGAHELA RIVER WATERFRONT, WV	300,000	---	300,000	---
(FDP)	NORTH BRANCH POTOMAC RIVER ENVIRONMENTAL RESTOR, WV &.	275,000	---	275,000	---
	TYGART RIVER BASIN, WV	---	---	400,000	---
	TYGART RIVER BASIN (BARBOUR COUNTY), WV	---	---	400,000	---
	WEST VIRGINIA PORT DEVELOPMENT, WV	---	---	300,000	---
	WYOMING				
(FDP)	JACKSON HOLE RESTORATION, WY	270,000	---	270,000	---
	MISCELLANEOUS				
	AUTOMATED INFORMATION SYSTEM SUPPORT	3,605,000	---	2,600,000	---
	COASTAL FIELD DATA COLLECTION	4,000,000	---	3,600,000	---
	COORDINATION STUDIES WITH OTHER AGENCIES	14,790,000	---	7,920,000	---
	ENVIRONMENTAL DATA STUDIES	160,000	---	---	---
	ENVIRONMENTAL SERVICE PARTNERSHIPS	615,000	---	---	---
	FLOOD DAMAGE DATA	500,000	---	---	---
	FLOOD PLAIN MANAGEMENT SERVICES	15,000,000	---	8,600,000	---
	GREAT LAKES REMEDIAL ACTION PROGRAM (SEC. 401)	---	---	500,000	---
	HYDROLOGIC STUDIES	770,000	---	700,000	---
	INTERNATIONAL WATER STUDIES	500,000	---	500,000	---
	NATIONAL ASSESSMENT OF WATER SUPPLY DEMAND AND AVAILAB	3,000,000	---	---	---
	NATIONAL DREDGING NEEDS STUDY OF PORTS AND HARBORS	909,000	---	450,000	---
	NATIONAL SPATIAL DATA INFRASTRUCTURE	2,050,000	---	---	---
	OHIO RIVER BASIN STUDY	---	---	500,000	---
	PRECIPITATION STUDIES (NATIONAL WEATEHER SERVICE)	550,000	---	400,000	---
	PRESIDENT'S CLIMATE CHANGE ACTION PLAN	600,000	---	---	---
	REMOTE SENSING/GEOGRAPHIC INFORMATION SYSTEM SUPPORT	400,000	---	300,000	---
	RESEARCH AND DEVELOPMENT	40,574,000	---	30,432,000	---
	SCIENTIFIC AND TECHNICAL INFORMATION CENTERS	350,000	---	175,000	---
	STREAM GAGING (U.S. GEOLOGICAL SURVEY)	770,000	---	770,000	---
	TRANSPORTATION SYSTEMS	950,000	---	950,000	---
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-26,988,000	---	-41,117,000	---
	TOTAL, GENERAL INVESTIGATIONS	117,273,000	38,352,000	79,673,000	42,094,000

TYPE OF PROJECT:
- (N) NAVIGATION
- (BE) BEACH EROSION CONTROL
- (FC) FLOOD CONTROL
- (MP) MULTIPURPOSE, INCLUDING POWER
- (SP) SHORELINE PROTECTION
- (FDP) FLOOD DAMAGE PREVENTION
- (RCP) REVIEW OF COMPLETED PROJECT
- (RDP) REVIEW OF DEFERRED PROJECT
- (COMP) COMPREHENSIVE
- (SPEC) SPECIAL

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	ALABAMA		
(N)	BAYOU LA BATRE, AL	1,000,000	1,000,000
(N)	BLACK WARRIOR AND TOMBIGBEE RIVERS, VICINITY OF JACKSO	500,000	500,000
(N)	TENNESSEE - TOMBIGBEE WATERWAY WILDLIFE MITIGATION, AL	12,400,000	12,400,000
	ALASKA		
(N)	HOMER SPIT, REPAIR AND EXTENSION, AK	---	3,800,000
(N)	KODIAK HARBOR, AK	3,000,000	3,000,000
	ARIZONA		
(FC)	CLIFTON, AZ	900,000	900,000
(FC)	HOLBROOK, AZ	2,261,000	2,261,000
(FC)	NOGALES WASH, AZ	75,000	75,000
(FC)	RILLITO RIVER, AZ	4,894,000	4,894,000
	ARKANSAS		
(MP)	DARDANELLE LOCK AND DAM POWERHOUSE, AR (MAJOR REHAB)	3,500,000	3,500,000
(N)	MCCLELLAN - KERR AR RVR NAV SYSTEM, LOCKS AND DAMS, AR	6,000,000	6,000,000
	RED RIVER EMERGENCY BANK PROTECTION, AR	---	6,600,000
	CALIFORNIA		
(FC)	COYOTE AND BERRYESSA CREEKS, CA	12,000,000	12,000,000
(FC)	GUADALUPE RIVER, CA	8,100,000	8,100,000
(FC)	LOS ANGELES COUNTY DRAINAGE AREA, CA	11,367,000	11,367,000
(N)	LOS ANGELES HARBOR, CA	100,000	250,000
	LOWER SACRAMENTO AREA RECONSTRUCTION, CA	---	500,000
(FC)	MARYSVILLE/YUBA CITY LEVEE RECONSTRUCTION, CA	6,000,000	6,000,000
(FC)	MERCED COUNTY STREAMS, CA	700,000	700,000
	MID-VALLEY AREA LEVEE RECONSTRUCTION, CA	---	500,000
(N)	MORRO BAY HARBOR, CA	124,000	124,000
(N)	OAKLAND HARBOR, CA	14,000,000	14,000,000
(N)	RICHMOND HARBOR, CA	3,296,000	3,296,000
(FC)	SACRAMENTO RIVER BANK PROTECTION PROJECT, CA	3,000,000	3,000,000
(N)	SACRAMENTO RIVER DEEPWATER SHIP CHANNEL, CA	100,000	100,000
(FC)	SACRAMENTO RIVER FLOOD CONTROL PROJECT, CA (DEF CORR)	100,000	100,000
	SACRAMENTO RIVER FLOOD CONTROL PROJECT (GCID), CA	---	300,000
(FC)	SACRAMENTO URBAN AREA LEVEE RECONSTRUCTION, CA	1,870,000	1,870,000
	SAN DIEGO RIVER AND MISSION BAY, CA	---	1,900,000
(N)	SAN FRANCISCO BAY TO STOCKTON, CA	800,000	800,000
(FC)	SANTA ANA RIVER MAINSTEM, CA	70,249,000	70,249,000
(FC)	SANTA PAULA CREEK, CA	300,000	2,300,000
(N)	SONOMA BAYLANDS WETLAND DEMONSTRATION PROJECT, CA	500,000	500,000
(BE)	SURFSIDE - SUNSET - NEWPORT BEACH, CA	100,000	100,000
(FC)	WEST SACRAMENTO, CA	7,000,000	7,000,000
(FC)	WILDCAT AND SAN PABLO CREEKS, CA	1,240,000	1,240,000
(E)	YOLO BASIN WETLANDS, SACRAMENTO RIVER, CA	720,000	720,000
	COLORADO		
(FC)	ALAMOSA, CO	600,000	600,000
	FLORIDA		
	BROWARD COUNTY, FL	---	450,000
(FC)	CENTRAL AND SOUTHERN FLORIDA, FL	3,726,000	4,026,000
(FC)	DADE COUNTY, FL	1,300,000	1,300,000
(N)	FORT PIERCE HARBOR, FL	2,590,000	2,590,000
(MP)	JIM WOODRUFF LOCK AND DAM POWERHOUSE, FL & GA (MAJOR R	600,000	600,000
(BE)	LEE COUNTY, FL (REIMBURSEMENT)	600,000	600,000
(N)	MANATEE HARBOR, FL	1,450,000	1,450,000
(BE)	MARTIN COUNTY, FL	3,202,000	3,202,000
(N)	MIAMI HARBOR CHANNEL, FL	1,000,000	1,000,000
	PINELLAS COUNTY, FL	---	3,000,000
(BE)	SARASOTA COUNTY, FL	4,400,000	4,400,000
	ST JOHNS COUNTY (ST AUGUSTINE BEACH), FL	---	350,000
	GEORGIA		
(MP)	HARTWELL LAKE POWERHOUSE, GA & SC (MAJOR REHAB)	1,400,000	1,400,000
(MP)	RICHARD B RUSSELL DAM AND LAKE, GA & SC	4,400,000	4,400,000
(MP)	THURMOND LAKE POWERHOUSE, GA & SC (MAJOR REHAB)	2,200,000	2,200,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	ILLINOIS		
(FC)	EAST ST LOUIS, IL	3,700,000	3,700,000
(N)	FOUR LOCKS, ILLINOIS WATERWAY, IL (MAJOR REHAB)	3,254,000	3,254,000
(N)	LOCK AND DAM 24, MISSISSIPPI RIVER, IL & MO (MAJOR REH	2,000,000	2,000,000
(N)	LOCK AND DAM 25, MISSISSIPPI RIVER, IL & MO (MAJOR REH	4,300,000	4,300,000
(FC)	LOVES PARK, IL	750,000	750,000
(N)	MELVIN PRICE LOCK AND DAM, IL & MO	2,400,000	2,400,000
(N)	OLMSTED LOCKS AND DAM, IL & KY	32,100,000	32,100,000
(FC)	REND LAKE, IL (DEF CORR)	300,000	300,000
(N)	UPPER MISS RIVER SYSTEM ENV MGMT PROG, IL, IA, MO, MN.	19,455,000	19,455,000
	INDIANA		
(N)	BURNS WATERWAY HARBOR, IN (MAJOR REHAB)	4,000,000	4,000,000
(FC)	FORT WAYNE METROPOLITAN AREA, IN	4,000,000	4,000,000
	INDIANA SHORELINE EROSION, IN	---	1,500,000
	INDIANAPOLIS CENTRAL WATERFRONT, IN	---	2,000,000
(FC)	LITTLE CALUMET RIVER, IN	5,000,000	5,000,000
	OHIO RIVER FLOOD PROTECTION, IN	---	1,000,000
	IOWA		
(N)	LOCK AND DAM 14, MISSISSIPPI RIVER, IA (MAJOR REHAB)	700,000	700,000
(N)	MISSOURI RIVER FISH AND WILDLIFE MITIGATION, IA, NE, K	5,700,000	5,700,000
(FC)	MISSOURI RIVER LEVEE SYSTEM, IA, NE, KS & MO	125,000	125,000
(FC)	MUSCATINE ISLAND, IA	220,000	220,000
(FC)	PERRY CREEK, IA	168,000	168,000
(FC)	WEST DES MOINES, DES MOINES, IA	4,040,000	4,040,000
	KANSAS		
	ARKANSAS CITY, KS	---	700,000
	WINFIELD, KS	---	670,000
	KENTUCKY		
(MP)	BARKLEY DAM AND LAKE BARKLEY, KY	1,600,000	1,600,000
(FC)	DEWEY LAKE, KY (DAM SAFETY)	1,400,000	1,400,000
(FC)	FRANKFORT, SOUTH FRANKFORT, KY	2,623,000	2,623,000
	MCALPINE LOCK AND DAM, KY, IN	---	3,487,000
	SALYERSVILLE, KY	---	500,000
	LOUISIANA		
	LAKE PONTCHARTRAIN STORM WATER DISCHARGE, LA	---	850,000
(FC)	ALOHA - RIGOLETTE, LA	2,379,000	2,379,000
(FC)	LAKE PONTCHARTRAIN AND VICINITY, LA (HURRICANE PROTECT	7,848,000	13,348,000
(FC)	LAROSE TO GOLDEN MEADOW, LA (HURRICANE PROTECTION)	1,440,000	1,440,000
(N)	MISSISSIPPI RIVER - GULF OUTLET, LA	3,200,000	3,200,000
(FC)	NEW ORLEANS TO VENICE, LA (HURRICANE PROTECTION)	3,360,000	3,360,000
	OUACHITA RIVER LEVEES, LA	---	2,300,000
	RED RIVER BELOW DENISON DAM, LA, AR, TX	---	2,500,000
(N)	RED RIVER WATERWAY, MISSISSIPPI RIVER TO SHREVEPORT, L	16,673,000	16,673,000
	SOUTHEAST LOUISIANA, LA	---	2,000,000
(FC)	WESTWEGO TO HARVEY CANAL, LA (HURRICANE PROTECTION)	1,000,000	1,000,000
	MARYLAND		
	BALTIMORE HARBOR AND CHANNELS, MD	---	339,000
(E)	CHESAPEAKE BAY OYSTER RECOVERY, MD	230,000	230,000
	MASSACHUSETTS		
	ROUGHANS PT, REVERE, MA	---	710,000
(FC)	TOWN BROOK, QUINCY AND BRAINTREE, MA	990,000	990,000
	MICHIGAN		
	CEDAR RIVER HARBOR, MI	---	82,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	MINNESOTA		
(FC)	CHASKA, MN	3,740,000	3,740,000
	MARSHALL, MN	---	850,000
	MISSISSIPPI		
(N)	PASCAGOULA HARBOR, MS	2,812,000	2,812,000
(FC)	TOMBIGBEE RIVER AND TRIBUTARIES, MS & AL	4,686,000	4,686,000
	MISSOURI		
(FC)	BLUE RIVER CHANNEL, KANSAS CITY, MO	9,600,000	9,600,000
(FC)	CAPE GIRARDEAU - JACKSON, MO	200,000	200,000
(N)	MISS RIVER BTWN THE OHIO AND MO RIVERS (REG WORKS), MO	5,700,000	4,700,000
	STE GENEVIEVE, MO	---	1,000,000
	NEBRASKA		
(FC)	MISSOURI NATIONAL RECREATIONAL RIVER, NE & SD	20,000	20,000
	NEVADA		
(FC)	TROPICANA AND FLAMINGO WASHES, NV	4,000,000	4,000,000
	NEW JERSEY		
(FC)	MOLLY ANN'S BROOK AT HALEDON, PROSPECT PARK AND PATERS	3,750,000	3,750,000
(N)	NEW YORK HARBOR & ADJACENT CHANNELS, PORT JERSEY CHANN	550,000	550,000
(FC)	RAMAPO RIVER AT OAKLAND,NJ	70,000	70,000
(N)	SALEM RIVER, NJ	3,576,000	3,576,000
(BE)	SANDY HOOK TO BARNEGAT INLET, NJ	15,700,000	15,700,000
	NEW MEXICO		
(FC)	ABIQUIU DAM EMERGENCY GATES, NM	1,200,000	1,200,000
(FC)	ACEQUIAS IRRIGATION SYSTEM, NM	120,000	1,500,000
(FC)	ALAMOGORDO, NM	100,000	100,000
	NEW YORK		
(BE)	EAST ROCKAWAY INLET TO ROCKAWAY INLET AND JAMAICA BAY,	6,100,000	6,100,000
(BE)	FIRE ISLAND INLET TO MONTAUK POINT, NY	10,400,000	10,400,000
(N)	NEW YORK HARBOR COLLECTION AND REMOVAL OF DRIFT, NY &.	100,000	100,000
(FC)	NORTH ELLENVILLE, NY (DEF CORR)	4,015,000	4,015,000
	NORTH CAROLINA		
(N)	AIWW - REPLACEMENT OF FEDERAL HIGHWAY BRIDGES, NC	6,500,000	5,600,000
(FC)	CAROLINA BEACH AND VICINITY, NC	3,300,000	3,300,000
(BE)	FORT FISHER, NC	2,094,000	2,094,000
	NORTH DAKOTA		
(FC)	HOMME LAKE, ND (DAM SAFETY)	200,000	200,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND (DAM SAFETY)	4,700,000	4,700,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND (MAJOR REHAB)	853,000	853,000
(FC)	SHEYENNE RIVER, ND	500,000	500,000
	OHIO		
	HOLES CREEK, WEST CARROLLTON, OH	---	190,000
(FC)	WEST COLUMBUS, OH	2,800,000	2,800,000
	OKLAHOMA		
(FC)	FRY CREEKS, BIXBY, OK	1,700,000	1,700,000
(FC)	MINGO CREEK, TULSA, OK	4,400,000	4,400,000
(MP)	TENKILLER FERRY LAKE, OK (DAM SAFETY)	530,000	530,000
	OREGON		
(MP)	BONNEVILLE POWERHOUSE PHASE I, OR & WA (MAJOR REHAB)	8,530,000	8,530,000
(MP)	BONNEVILLE POWERHOUSE PHASE II, OR & WA (MAJOR REHAB)	7,000,000	7,000,000
	COLUMBIA RIVER IN-LIEU INDIAN FISHING SITES, OR & WA	---	1,720,000
(FC)	ELK CREEK LAKE, OR	500,000	500,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	PENNSYLVANIA		
	BROAD TOP REGION, PA	---	4,100,000
(FC)	JOHNSTOWN, PA (MAJOR REHAB)	1,230,000	1,230,000
	GLEN FOERD, PA	---	200,000
(FC)	LACKAWANNA RIVER, OLYPHANT, PA	240,000	240,000
(FC)	LACKAWANNA RIVER, SCRANTON, PA	357,000	357,000
(N)	LOCKS AND DAMS 2, 3 & 4, MONONGAHELA RIVER, PA	15,000,000	15,000,000
(BE)	PRESQUE ISLE PENINSULA, PA (PERMANENT)	450,000	450,000
	SOUTH CENTRAL PENN ENVIRONMENTAL RESTORATION, PA	---	3,500,000
(FC)	TURTLE CREEK, PA	1,964,000	1,964,000
(FC)	WYOMING VALLEY, PA (LEVEE RAISING)	4,300,000	4,300,000
	PUERTO RICO		
(FC)	PORTUGUES AND BUCANA RIVERS, PR	12,451,000	12,451,000
(FC)	RIO DE LA PLATA, PR	250,000	250,000
(FC)	RIO PUERTO NUEVO, PR	7,000,000	7,000,000
	SOUTH CAROLINA		
(BE)	MYRTLE BEACH, SC	17,000,000	17,000,000
	TENNESSEE		
(MP)	CENTER HILL DAM, TN (DAM SAFETY)	904,000	904,000
	TEXAS		
(FC)	BEALS CREEK, BIG SPRING, TX	1,916,000	1,916,000
(N)	CHANNEL TO VICTORIA, TX	3,100,000	3,100,000
(FC)	EL PASO, TX	400,000	400,000
(N)	GIWW - SARGENT BEACH, TX	20,000,000	20,000,000
(FC)	MCGRATH CREEK, WICHITA FALLS, TX	110,000	110,000
(FC)	RAY ROBERTS LAKE, TX	3,500,000	3,500,000
(MP)	SAM RAYBURN DAM AND RESERVOIR, TX (DAM SAFETY)	9,474,000	9,474,000
(FC)	SAN ANTONIO CHANNEL IMPROVEMENT, TX	7,097,000	7,097,000
(FC)	SIMS BAYOU, HOUSTON, TX	12,000,000	12,000,000
(FC)	WACO LAKE, TX (DAM SAFETY)	300,000	300,000
	WALLISVILLE LAKE, TX	---	5,000,000
	VIRGINIA		
(FC)	JAMES R OLIN FLOOD CONTROL PROJECT, VA	7,400,000	7,400,000
(N)	NORFOLK HARBOR AND CHANNELS (DEEPENING), VA	600,000	600,000
(FC)	ROANOKE RIVER UPPER BASIN, HEADWATERS AREA, VA	400,000	400,000
	VIRGINIA BEACH, VA	---	1,100,000
(BE)	VIRGINIA BEACH, VA (REIMBURSEMENT)	925,000	925,000
	WASHINGTON		
(FC)	CHEHALIS RIVER, SOUTH ABERDEEN AND COSMOPOLIS, WA	1,377,000	1,377,000
(MP)	COLUMBIA RIVER JUVENILE FISH MITIGATION, WA, OR & ID	78,800,000	78,800,000
(FC)	HOWARD HANSON DAM, WA (DAM SAFETY)	1,587,000	1,587,000
(MP)	LOWER SNAKE RIVER FISH & WILDLIFE COMPENSATION, WA, OR	8,000,000	8,000,000
	WEST VIRGINIA		
(FC)	LEVISA AND TUG FORKS AND UPPER CUMBERLAND RIVER, WV, V	6,300,000	26,200,000
(FC)	MOOREFIELD, WV	4,200,000	4,200,000
(FC)	PETERSBURG, WV	7,900,000	7,900,000
(N)	ROBERT C BYRD LOCKS AND DAM, OHIO RIVER, WV & OH	10,000,000	10,000,000
(N)	WINFIELD LOCKS AND DAM, WV	11,840,000	11,840,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	WISCONSIN		
	PORTAGE, WI	---	250,000
	MISCELLANEOUS		
	AQUATIC PLANT CONTROL PROGRAM	---	4,000,000
	BEACH EROSION CONTROL PROJECTS (SECTION 103)	3,000,000	1,500,000
	CLEARING AND SNAGGING (SECTION 208)	500,000	300,000
	DAM SAFETY ASSURANCE PROGRAM	2,000,000	2,000,000
	EMERGENCY STREAMBANK & SHORELINE PROTECTION (SEC. 14)	10,000,000	7,000,000
	EMPLOYEES' COMPENSATION	18,984,000	18,984,000
	FLOOD CONTROL PROJECTS (SECTION 205)	22,000,000	17,000,000
	INLAND WATERWAYS USERS BOARD - BOARD EXPENSES	40,000	40,000
	INLAND WATERWAYS USERS BOARD - CORPS EXPENSES	185,000	185,000
	NAVIGATION MITIGATION (SECTION 111)	500,000	600,000
	NAVIGATION PROJECTS (SECTION 107)	5,000,000	3,500,000
	PROJECT MODIFICATIONS FOR IMPROVEMENT OF THE ENVIRONME	24,280,000	10,850,000
	WETLAND AND AQUATIC HABITAT CREATION	15,000,000	2,500,000
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-33,401,000	-62,201,000
	TOTAL, CONSTRUCTION GENERAL	785,125,000	804,573,000

TYPE OF PROJECT:
(N) NAVIGATION
(BE) BEACH EROSION CONTROL
(FC) FLOOD CONTROL
(MP) MULTIPURPOSE, INCLUDING POWER

CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	GENERAL INVESTIGATIONS		
	SURVEYS:		
	GENERAL STUDIES:		
(FDP)	MORGANZA, LA TO THE GULF OF MEXICO	500,000	500,000
(FDP)	MISSISSIPPI DELTA, MS	1,800,000	1,800,000
(FDP)	REELFOOT LAKE, TN	238,000	238,000
	COLLECTION AND STUDY OF BASIC DATA	325,000	325,000
	PRECONSTRUCTION ENGINEERING AND DESIGN:		
(FC)	EASTERN ARKANSAS REGION (COMPREHENSIVE STUDY), AR	2,200,000	2,200,000
(FC)	LOWER WHITE RIVER, BIG CREEK & TRIBUTARIES, AR	200,000	200,000
	LOUISIANA STATE PENITENTIARY LEVEE, LA	---	100,000
	SUBTOTAL, GENERAL INVESTIGATIONS	5,263,000	5,363,000
	CONSTRUCTION		
(FC)	CHANNEL IMPROVEMENT, AR, IL, KY, LA, MS, MO & TN	63,090,000	61,000,000
(FC)	EIGHT MILE CREEK, AR	580,000	580,000
(FC)	MISSISSIPPI RIVER LEVEES, AR, IL, KY, LA, MS, MO & TN	32,450,000	30,000,000
(FC)	ST FRANCIS BASIN, AR & MO	10,000,000	10,000,000
(FC)	TENSAS BASIN, RED RIVER BACKWATER, LA	11,294,000	11,294,000
(FC)	WHITEMAN'S CREEK, AR	850,000	850,000
(FC)	ATCHAFALAYA BASIN, FLOODWAY SYSTEM, LA	5,300,000	5,300,000
(FC)	ATCHAFALAYA BASIN, LA	27,000,000	27,000,000
(FC)	MISSISSIPPI AND LOUISIANA ESTUARINE AREAS, MS & LA	1,500,000	1,500,000
(FC)	MISSISSIPPI DELTA REGION, LA	13,300,000	13,300,000
(FC)	HORN LAKE CREEK & TRIBUTARIES (INCL COW PEN CREEK), MS	148,000	148,000
	YAZOO BASIN, MS:	(47,928,000)	(47,928,000)
(FC)	BIG SUNFLOWER RIVER, MS	8,920,000	8,920,000
(FC)	DEMONSTRATION EROSION CONTROL, MS	22,000,000	22,000,000
(FC)	F&WL MITIGATION LANDS, MS	25,000	25,000
(FC)	MAIN STEM, MS	25,000	25,000
(FC)	REFORMULATION UNIT, MS	2,810,000	2,810,000
(FC)	TRIBUTARIES, MS	2,948,000	2,948,000
(FC)	UPPER YAZOO PROJECTS, MS	11,200,000	11,200,000
(FC)	NONCONNAH CREEK, TN & MS	1,600,000	1,600,000
(FC)	WEST TENNESSEE TRIBUTARIES, TN	2,900,000	2,900,000
	SUBTOTAL, CONSTRUCTION	217,940,000	213,400,000
	MAINTENANCE		
(FC)	CHANNEL IMPROVEMENT, AR, IL, KY, LA, MS, MO & TN	61,825,000	56,000,000
(FC)	LOWER ARKANSAS RIVER - NORTH BANK, AR	146,000	146,000
(FC)	LOWER ARKANSAS RIVER - SOUTH BANK, AR	115,000	115,000
(FC)	MISSISSIPPI RIVER LEVEES, AR, IL, KY, LA, MS, MO & TN	5,630,000	5,630,000
(FC)	ST FRANCIS RIVER BASIN, AR & MO	9,363,000	9,363,000
(FC)	TENSAS BASIN, BOEUF AND TENSAS RIVERS, AR & LA	2,628,000	2,628,000
(FC)	WHITE RIVER BACKWATER, AR	1,258,000	1,258,000
(FC)	ATCHAFALAYA BASIN FLOODWAY SYSTEM, LA	206,000	206,000
(FC)	ATCHAFALAYA BASIN, LA	13,341,000	13,341,000
(FC)	BATON ROUGE HARBOR - DEVIL SWAMP, LA	150,000	150,000
(FC)	BAYOU COCODRIE AND TRIBUTARIES, LA	87,000	87,000
(FC)	BONNET CARRE, LA	875,000	875,000
(FC)	LOWER RED RIVER - SOUTH BANK LEVEES, LA	77,000	77,000
(FC)	MISSISSIPPI DELTA REGION, CAERNARVON, LA	415,000	415,000
(FC)	OLD RIVER, LA	4,821,000	4,821,000
(FC)	TENSAS BASIN, RED RIVER BACKWATER, LA	2,740,000	2,740,000
(N)	GREENVILLE HARBOR, MS	258,000	258,000
(N)	VICKSBURG HARBOR, MS	223,000	223,000
	YAZOO BASIN, MS:	(22,638,000)	(22,638,000)
(FC)	ARKABUTLA LAKE, MS	3,500,000	3,500,000
(FC)	BIG SUNFLOWER RIVER, MS	2,012,000	2,012,000
(FC)	ENID LAKE, MS	3,500,000	3,500,000
(FC)	GREENWOOD, MS	860,000	860,000
(FC)	GRENADA LAKE, MS	4,329,000	4,329,000
(FC)	MAIN STEM, MS	1,390,000	1,390,000
(FC)	SARDIS LAKE, MS	4,200,000	4,200,000
(FC)	TRIBUTARIES, MS	1,135,000	1,135,000
(FC)	WILL M WHITTINGTON AUX CHAN, MS	474,000	474,000
(FC)	YAZOO BACKWATER AREA, MS	529,000	529,000
(FC)	YAZOO CITY, MS	709,000	709,000
(FC)	WAPPAPELLO LAKE, MO	3,601,000	3,601,000
(N)	MEMPHIS HARBOR (MCKELLAR LAKE), TN	1,415,000	1,415,000
(FC)	INSPECTION OF COMPLETED WORKS	1,368,000	1,368,000

CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	MAPPING	1,008,000	1,008,000
	SUBTOTAL, MAINTENANCE	134,188,000	128,363,000
	REDUCTION FOR SAVINGS AND SLIPPAGE	-38,141,000	-39,241,000
	TOTAL, FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES	319,250,000	307,885,000

TYPE OF PROJECT:
(N) NAVIGATION
(FC) FLOOD CONTROL

	ALABAMA		
(N)	ALABAMA - COOSA RIVER, AL	5,668,000	5,668,000
(N)	BAYOU CODEN, AL	231,000	231,000
(N)	BAYOU LA BATRE, AL	455,000	455,000
(N)	BLACK WARRIOR AND TOMBIGBEE RIVERS, AL	16,820,000	16,820,000
(N)	BON SECOUR RIVER, AL	551,000	551,000
(N)	DAUPHIN ISLAND BAY, AL	252,000	252,000
(N)	DOG AND FOWL RIVERS, AL	505,000	505,000
(N)	FLY CREEK, AL	249,000	249,000
(N)	GULF INTRACOASTAL WATERWAY, AL	3,172,000	3,172,000
(MP)	MILLERS FERRY LOCK & DAM - WILLIAM "BILL" DANNELLY LAK	5,156,000	5,156,000
(N)	MOBILE HARBOR, AL	17,780,000	17,780,000
(N)	PERDIDO PASS CHANNEL, AL	350,000	350,000
(MP)	ROBERT F HENRY LOCK AND DAM, AL	3,688,000	3,688,000
(N)	TENNESSEE - TOMBIGBEE WATERWAY, AL & MS	21,090,000	21,090,000
(MP)	WALTER F GEORGE LOCK AND DAM, AL & GA	6,434,000	6,434,000
	ALASKA		
(N)	ANCHORAGE HARBOR, AK	1,380,000	1,380,000
(FC)	CHENA RIVER LAKES, AK	1,649,000	1,649,000
(N)	DILLINGHAM HARBOR, AK	599,000	599,000
(N)	HOMER HARBOR, AK	265,000	265,000
(N)	KETCHIKAN, THOMAS BASIN, AK	564,000	564,000
(N)	NINILCHIK HARBOR, AK	182,000	182,000
(N)	NOME HARBOR, AK	305,000	305,000
	VALDEZ HARBOR, AK	---	275,000
	ARIZONA		
(FC)	ALAMO LAKE, AZ	1,167,000	1,167,000
(FC)	PAINTED ROCK DAM, AZ	3,736,000	3,736,000
(FC)	WHITLOW RANCH DAM, AZ	112,000	112,000
	ARKANSAS		
(MP)	BEAVER LAKE, AR	3,983,000	3,983,000
(MP)	BLAKELY MT DAM - LAKE OUACHITA, AR	4,640,000	4,640,000
(FC)	BLUE MOUNTAIN LAKE, AR	1,153,000	1,153,000
(MP)	BULL SHOALS LAKE, AR	4,575,000	4,575,000
(MP)	DARDANELLE LOCK AND DAM, AR	6,385,000	6,385,000
(MP)	DEGRAY LAKE, AR	4,189,000	4,189,000
(FC)	DEQUEEN LAKE, AR	1,096,000	1,096,000
(FC)	DIERKS LAKE, AR	997,000	997,000
(FC)	GILLHAM LAKE, AR	1,006,000	1,006,000
(MP)	GREERS FERRY LAKE, AR	4,447,000	4,447,000
(N)	HELENA HARBOR, AR	500,000	500,000
(N)	MCCLELLAN - KERR ARKANSAS RIVER NAVIGATION SYSTEM, AR.	25,248,000	25,248,000
(FC)	MILLWOOD LAKE, AR	1,789,000	1,789,000
(MP)	NARROWS DAM - LAKE GREESON, AR	3,524,000	3,524,000
(FC)	NIMROD LAKE, AR	1,363,000	1,363,000
(MP)	NORFORK LAKE, AR	3,582,000	3,582,000
(N)	OSCEOLA HARBOR, AR	453,000	453,000
(N)	OUACHITA AND BLACK RIVERS, AR & LA	5,304,000	5,304,000
(MP)	OZARK - JETA TAYLOR LOCK AND DAM, AR	4,175,000	4,175,000
(N)	WHITE RIVER, AR	2,200,000	2,200,000
(N)	YELLOW BEND PORT, AR	142,000	142,000
	CALIFORNIA		
(FC)	BLACK BUTTE LAKE, CA	1,534,000	1,534,000
(FC)	BUCHANAN DAM - H V EASTMAN LAKE, CA	1,529,000	1,529,000
(N)	CHANNEL ISLANDS HARBOR, CA	890,000	890,000

CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	COYOTE VALLEY DAM (LAKE MENDOCINO), CA	2,410,000	2,410,000
(FC)	DRY CREEK (WARM SPRINGS) LAKE AND CHANNEL, CA	3,172,000	3,172,000
(FC)	FARMINGTON DAM, CA	158,000	158,000
(FC)	HIDDEN DAM - HENSLEY LAKE, CA	1,705,000	1,705,000
(N)	HUMBOLDT HARBOR AND BAY, CA	4,670,000	4,670,000
(FC)	ISABELLA LAKE, CA	702,000	702,000
(N)	LOS ANGELES - LONG BEACH HARBOR MODEL, CA	160,000	160,000
(FC)	LOS ANGELES COUNTY DRAINAGE AREA, CA	3,413,000	3,413,000
	LOS ANGELES RIVER, CA	---	600,000
(FC)	MERCED COUNTY STREAM GROUP, CA	172,000	172,000
(FC)	MOJAVE RIVER DAM, CA	217,000	217,000
(N)	MORRO BAY HARBOR, CA	2,580,000	2,580,000
(N)	MOSS LANDING HARBOR, CA	845,000	845,000
(FC)	NEW HOGAN LAKE, CA	1,529,000	1,529,000
(MP)	NEW MELONES LAKE (DOWNSTREAM CHANNEL), CA	893,000	893,000
	NEWPORT BAY HARBOR, CA	---	1,265,000
(N)	OAKLAND HARBOR, CA	2,205,000	2,205,000
(N)	OCEANSIDE HARBOR, CA	1,045,000	1,045,000
	OCEANSIDE HARBOR SAND BYPASS, CA	---	750,000
(N)	PETALUMA RIVER, CA	1,690,000	1,690,000
	PILLAR POINT HARBOR, CA	---	400,000
(FC)	PINE FLAT LAKE, CA	2,451,000	2,451,000
(N)	PORT HUENEME, CA	135,000	135,000
(N)	REDWOOD CITY HARBOR, CA	2,600,000	2,600,000
(N)	RICHMOND HARBOR, CA	6,481,000	6,481,000
(N)	SACRAMENTO RIVER (30 FOOT PROJECT), CA	457,000	457,000
(N)	SACRAMENTO RIVER AND TRIBUTARIES (DEBRIS CONTROL), CA	872,000	872,000
(N)	SACRAMENTO RIVER SHALLOW DRAFT CHANNEL, CA	117,000	117,000
(N)	SAN DIEGO HARBOR, CA	1,085,000	1,085,000
(N)	SAN FRANCISCO BAY - DELTA MODEL STRUCTURE, CA	2,000,000	2,000,000
(N)	SAN FRANCISCO BAY LONG TERM MANAGEMENT STRATEGY, CA	150,000	150,000
(N)	SAN FRANCISCO HARBOR AND BAY (DRIFT REMOVAL), CA	2,195,000	2,195,000
(N)	SAN FRANCISCO HARBOR, CA	1,825,000	1,825,000
(N)	SAN JOAQUIN RIVER, CA	1,659,000	1,659,000
(N)	SAN PABLO BAY AND MARE ISLAND STRAIT, CA	1,080,000	1,080,000
(FC)	SANTA ANA RIVER BASIN, CA	2,889,000	2,889,000
(N)	SANTA BARBARA HARBOR, CA	1,038,000	1,038,000
(FC)	SUCCESS LAKE, CA	2,358,000	2,358,000
(N)	SUISUN BAY CHANNEL, CA	665,000	665,000
(FC)	TERMINUS DAM (LAKE KAWEAH), CA	1,474,000	1,474,000
(N)	VENTURA HARBOR, CA	2,288,000	2,288,000
(N)	YUBA RIVER, CA	30,000	30,000
	COLORADO		
(FC)	BEAR CREEK LAKE, CO	429,000	429,000
(FC)	CHATFIELD LAKE, CO	1,000,000	1,000,000
(FC)	CHERRY CREEK LAKE, CO	978,000	978,000
(FC)	JOHN MARTIN RESERVOIR, CO	1,475,000	1,475,000
(FC)	TRINIDAD LAKE, CO	609,000	609,000
	CONNECTICUT		
(FC)	BLACK ROCK LAKE, CT	249,000	249,000
(FC)	COLEBROOK RIVER LAKE, CT	375,000	375,000
(FC)	HANCOCK BROOK LAKE, CT	264,000	264,000
(FC)	HOP BROOK LAKE, CT	724,000	724,000
(FC)	MANSFIELD HOLLOW LAKE, CT	349,000	349,000
(FC)	NORTHFIELD BROOK LAKE, CT	325,000	325,000
(FC)	STAMFORD HURRICANE BARRIER, CT	245,000	245,000
(N)	STONY CREEK, CT	412,000	412,000
(FC)	THOMASTON DAM, CT	471,000	471,000
(FC)	WEST THOMPSON LAKE, CT	486,000	486,000
	DELAWARE		
(N)	CHESAPEAKE AND DELAWARE CANAL - ST GEORGE'S BRIDGE REP	14,000,000	14,000,000
(N)	INTRACOASTAL WATERWAY, DELAWARE R TO CHESAPEAKE BAY, D	16,090,000	16,090,000
(N)	MURDERKILL RIVER, DE	40,000	40,000
(N)	WILMINGTON HARBOR, DE	2,513,000	2,513,000
	DISTRICT OF COLUMBIA		
(N)	POTOMAC AND ANACOSTIA RIVERS (DRIFT REMOVAL), DC	785,000	785,000
(N)	WASHINGTON HARBOR, DC	35,000	35,000
	FLORIDA		
(N)	AIWW, NORFOLK TO ST JOHNS RIVER, FL, GA, SC, NC & VA	75,000	75,000

CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	APALACHICOLA BAY, FL	187,000	187,000
(N)	CANAVERAL HARBOR, FL	4,736,000	4,736,000
(FC)	CENTRAL AND SOUTHERN FLORIDA, FL	9,846,000	9,846,000
(N)	CHARLOTTE HARBOR, FL	3,275,000	3,275,000
(N)	EAST PASS CHANNEL, FL	886,000	886,000
(N)	FERNANDINA HARBOR, FL	1,623,000	1,623,000
(N)	FORT PIERCE HARBOR, FL	712,000	712,000
(N)	INTRACOASTAL WATERWAY, CALOOSAHATCHEE R TO ANCLOTE R,	221,000	221,000
(N)	INTRACOASTAL WATERWAY, JACKSONVILLE TO MIAMI, FL	3,293,000	3,293,000
(N)	JACKSONVILLE HARBOR, FL	4,119,000	4,119,000
(MP)	JIM WOODRUFF LOCK AND DAM, LAKE SEMINOLE, FL, AL & GA.	5,111,000	5,111,000
(N)	JOHNS PASS, PINELLAS COUNTY, FL	400,000	400,000
(N)	MIAMI HARBOR, FL	295,000	295,000
(N)	NEW PASS, SARASOTA, FL	1,086,000	1,086,000
(N)	OKEECHOBEE WATERWAY, FL	3,933,000	3,933,000
(N)	OKLAWAHA RIVER, FL	127,000	127,000
(N)	PALM BEACH HARBOR, FL	1,459,000	1,459,000
(N)	PANAMA CITY HARBOR, FL	717,000	717,000
(N)	PONCE DE LEON INLET, FL	2,147,000	2,147,000
(N)	PORT ST JOE HARBOR, FL	72,000	72,000
	REMOVAL OF AQUATIC GROWTH, FL	3,700,000	3,700,000
(N)	ST AUGUSTINE HARBOR, FL	4,000	804,000
(N)	ST LUCIE INLET, FL	85,000	85,000
(N)	TAMPA HARBOR, FL	3,744,000	3,744,000
(N)	WITHLACOOCHIE RIVER, FL	34,000	34,000
	GEORGIA		
(MP)	ALLATOONA LAKE, GA	5,894,000	5,894,000
(N)	APALACHICOLA CHATTAHOOCHEE AND FLINT RIVERS, GA, AL &.	4,321,000	4,321,000
(N)	ATLANTIC INTRACOASTAL WATERWAY, GA	1,916,000	1,916,000
(N)	BRUNSWICK HARBOR, GA	3,411,000	3,411,000
(MP)	BUFORD DAM AND LAKE SIDNEY LANIER, GA	7,377,000	7,377,000
(MP)	CARTERS DAM AND LAKE, GA	5,218,000	5,218,000
(MP)	HARTWELL LAKE, GA & SC	10,364,000	10,364,000
(MP)	J STROM THURMOND LAKE, GA & SC	9,480,000	9,480,000
(MP)	RICHARD B RUSSELL, GA	7,307,000	7,307,000
(N)	SAVANNAH HARBOR, GA	8,377,000	8,377,000
(N)	SAVANNAH RIVER BELOW AUGUSTA, GA	2,475,000	2,475,000
(MP)	WEST POINT DAM AND LAKE, GA & AL	5,114,000	5,114,000
	HAWAII		
(N)	BARBERS POINT HARBOR, HI	143,000	143,000
(FC)	IAO STREAM FLOOD CONTROL, MAUI, HI	480,000	480,000
	IDAHO		
(MP)	ALBENI FALLS DAM, ID	4,467,000	4,467,000
(MP)	DWORSHAK DAM AND RESERVOIR, ID	9,144,000	9,144,000
(FC)	LUCKY PEAK LAKE, ID	1,054,000	1,054,000
	ILLINOIS		
(N)	ANDALUSIA HARBOR, IL	71,000	71,000
(N)	CALUMET HARBOR AND RIVER, IL & IN	600,000	600,000
(FC)	CARLYLE LAKE, IL	3,715,000	3,715,000
(N)	CHICAGO HARBOR, IL	2,545,000	2,545,000
(N)	CHICAGO RIVER, IL	610,000	610,000
(FC)	FARM CREEK RESERVOIRS, IL	273,000	273,000
(N)	ILLINOIS AND MISSISSIPPI CANAL, IL	465,000	465,000
(N)	ILLINOIS WATERWAY (LMVD PORTION), IL	1,440,000	1,440,000
(N)	ILLINOIS WATERWAY (NCD PORTION), IL & IN	20,844,000	20,844,000
(N)	KASKASKIA RIVER NAVIGATION, IL	1,717,000	1,717,000
(N)	LAKE MICHIGAN DIVERSION, IL	645,000	645,000
(FC)	LAKE SHELBYVILLE, IL	6,399,000	6,399,000
(N)	MISS R BETWEEN MO R AND MINNEAPOLIS (LMVD PORTION), IL	12,437,000	12,437,000
(N)	MISS R BETWEEN MO R AND MINNEAPOLIS, IL, IA, MN, MO &.	73,347,000	73,347,000
(FC)	REND LAKE, IL	3,434,000	3,434,000
(N)	ROCK ISLAND SMALL BOAT HARBOR, IL	123,000	123,000
(N)	WAUKEGAN HARBOR, IL	970,000	970,000
	INDIANA		
(FC)	BEVERLY SHORES, IN	35,000	35,000
(FC)	BROOKVILLE LAKE, IN	711,000	711,000
(N)	BURNS WATERWAY HARBOR, IN	1,545,000	1,545,000
(N)	BURNS WATERWAY SMALL BOAT HARBOR, IN	95,000	95,000

CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	CAGLES MILL LAKE, IN	625,000	625,000
(FC)	CECIL M HARDEN LAKE, IN	762,000	762,000
(FC)	HUNTINGTON LAKE, IN	643,000	643,000
(N)	INDIANA HARBOR, IN	320,000	320,000
(N)	MICHIGAN CITY HARBOR, IN	540,000	540,000
(FC)	MISSISSINEWA LAKE, IN	1,073,000	1,073,000
(FC)	MONROE LAKE, IN	680,000	680,000
(FC)	PATOKA LAKE, IN	790,000	790,000
(FC)	SALAMONIE LAKE, IN	807,000	807,000
	IOWA		
(FC)	CORALVILLE LAKE, IA	2,654,000	2,654,000
(FC)	MISSOURI RIVER - KENSLERS BEND, NE TO SIOUX CITY, IA	61,000	61,000
(N)	MISSOURI RIVER - SIOUX CITY TO MOUTH, IA, NE, KS & MO	6,068,000	6,068,000
(FC)	RATHBUN LAKE, IA	2,028,000	2,028,000
(FC)	RED ROCK DAM - LAKE RED ROCK, IA	3,539,000	3,539,000
(FC)	SAYLORVILLE LAKE, IA	4,956,000	4,956,000
	KANSAS		
(FC)	CLINTON LAKE, KS	2,014,000	2,014,000
(FC)	COUNCIL GROVE LAKE, KS	1,038,000	1,038,000
(FC)	EL DORADO LAKE, KS	498,000	498,000
(FC)	ELK CITY LAKE, KS	765,000	765,000
(FC)	FALL RIVER LAKE, KS	892,000	892,000
(FC)	HILLSDALE LAKE, KS	1,128,000	1,128,000
(FC)	JOHN REDMOND DAM AND RESERVOIR, KS	2,238,000	2,238,000
(FC)	KANOPOLIS LAKE, KS	1,493,000	1,493,000
(FC)	MARION LAKE, KS	2,533,000	2,533,000
(FC)	MELVERN LAKE, KS	1,567,000	1,567,000
(FC)	MILFORD LAKE, KS	1,886,000	1,886,000
(FC)	PEARSON - SKUBITZ BIG HILL LAKE, KS	893,000	893,000
(FC)	PERRY LAKE, KS	1,919,000	1,919,000
(FC)	POMONA LAKE, KS	1,939,000	1,939,000
(FC)	TORONTO LAKE, KS	330,000	330,000
(FC)	TUTTLE CREEK LAKE, KS	2,202,000	2,202,000
(FC)	WILSON LAKE, KS	1,307,000	1,307,000
	KENTUCKY		
(MP)	BARKLEY DAM AND LAKE BARKLEY, KY	7,026,000	7,026,000
(FC)	BARREN RIVER LAKE, KY	1,898,000	1,898,000
(N)	BIG SANDY HARBOR, KY	1,035,000	1,035,000
(FC)	BUCKHORN LAKE, KY	1,272,000	1,272,000
(FC)	CARR FORK LAKE, KY	1,593,000	1,593,000
(FC)	CAVE RUN LAKE, KY	979,000	979,000
(FC)	DEWEY LAKE, KY	1,092,000	1,092,000
(N)	ELVIS STAHR (HICKMAN) HARBOR, KY	400,000	400,000
(FC)	FISHTRAP LAKE, KY	1,607,000	1,722,000
(FC)	GRAYSON LAKE, KY	986,000	986,000
(N)	GREEN AND BARREN RIVERS, KY	1,378,000	1,378,000
(FC)	GREEN RIVER LAKE, KY	1,904,000	1,904,000
(N)	KENTUCKY RIVER, KY	1,059,000	1,059,000
	KENTUCKY RIVER LOCKS AND DAMS 5-14, KY	---	3,000,000
(MP)	LAUREL RIVER LAKE, KY	1,261,000	1,261,000
(N)	LICKING RIVER OPEN CHANNEL WORK, KY	30,000	30,000
(FC)	MARTINS FORK LAKE, KY	649,000	649,000
(FC)	MIDDLESBORO CUMBERLAND RIVER BASIN, KY	65,000	65,000
(FC)	NOLIN LAKE, KY	1,956,000	1,956,000
(N)	OHIO RIVER LOCKS AND DAMS, KY, IL, IN, OH, PA & WV	53,568,000	53,568,000
(N)	OHIO RIVER OPEN CHANNEL WORK, KY, IL, IN, OH, PA & WV	6,025,000	6,025,000
(FC)	PAINTSVILLE LAKE, KY	940,000	940,000
(FC)	ROUGH RIVER LAKE, KY	1,780,000	1,780,000
(FC)	TAYLORSVILLE LAKE, KY	963,000	963,000
(MP)	WOLF CREEK DAM - LAKE CUMBERLAND, KY	6,488,000	6,488,000
(FC)	YATESVILLE LAKE, KY	1,033,000	1,033,000
	LOUISIANA		
(N)	ATCHAFALAYA RIVER AND BAYOUS CHENE, BOEUF AND BLACK, L	12,786,000	12,786,000
(N)	BARATARIA BAY WATERWAY, LA	921,000	921,000
(FC)	BAYOU BODCAU RESERVOIR, LA	504,000	504,000
(N)	BAYOU LAFOURCHE AND LAFOURCHE JUMP WATERWAY, LA	10,000	10,000
(FC)	BAYOU PIERRE, LA	25,000	25,000
(N)	BAYOU TECHE, LA	727,000	727,000
(FC)	CADDO LAKE, LA	159,000	159,000
(N)	CALCASIEU RIVER AND PASS, LA	4,095,000	4,095,000
(N)	FRESHWATER BAYOU, LA	1,659,000	1,659,000

CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	GULF INTRACOASTAL WATERWAY, LA & TX	16,110,000	16,110,000
(N)	HOUMA NAVIGATION CANAL, LA	3,897,000	3,897,000
(N)	LAKE PROVIDENCE HARBOR, LA	292,000	292,000
(N)	MADISON PARISH PORT, LA	37,000	37,000
(N)	MERMENTAU RIVER, LA	2,081,000	2,081,000
(N)	MISSISSIPPI RIVER - BATON ROUGE TO GULF OF MEXICO, LA.	51,837,000	51,837,000
(N)	MISSISSIPPI RIVER - GULF OUTLET, LA	12,054,000	12,054,000
(N)	MISSISSIPPI RIVER OUTLETS AT VENICE, LA	1,645,000	1,645,000
(N)	RED RIVER WATERWAY - MISSISSIPPI RIVER TO SHREVEPORT,	9,714,000	10,714,000
	REMOVAL OF AQUATIC GROWTH, LA	1,865,000	1,865,000
(N)	TANGIPAHOA RIVER, LA	100,000	100,000
(FC)	WALLACE LAKE, LA	186,000	186,000
	MAINE		
(N)	CRIEHAVEN HARBOR, ME	293,000	293,000
	SCARBOROUGH RIVER, ME	---	960,000
	YORK HARBOR, ME	---	714,000
	MARYLAND		
(N)	BALTIMORE HARBOR & CHANNELS, MD (50 FT)	13,425,000	13,425,000
(N)	BALTIMORE HARBOR (DRIFT REMOVAL), MD	455,000	455,000
(N)	BALTIMORE HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS),	520,000	520,000
(N)	BROAD CREEK, MD	360,000	360,000
(N)	CHESTER RIVER, MD	660,000	660,000
(N)	CRISFIELD HARBOR, MD	65,000	65,000
(FC)	CUMBERLAND, MD AND RIDGELEY, WV	104,000	104,000
(N)	FISHING BAY, MD	70,000	70,000
(N)	HERRING CREEK, TALL TIMBERS, MD	40,000	40,000
(FC)	JENNINGS RANDOLPH LAKE, MD & WV	1,604,000	1,764,000
(N)	KNAPPS NARROWS, MD	782,000	782,000
(N)	NANTICOKE RIVER NORTHWEST FORK, MD	260,000	260,000
(N)	OCEAN CITY HARBOR AND INLET AND SINEPUXENT BAY, MD	125,000	125,000
(N)	TWITCH COVE AND BIG THOROFARE RIVER, MD	150,000	150,000
(N)	WICOMICO RIVER, MD	615,000	615,000
	MASSACHUSETTS		
(FC)	BARRE FALLS DAM, MA	342,000	342,000
(FC)	BIRCH HILL DAM, MA	336,000	336,000
(FC)	BUFFUMVILLE LAKE, MA	331,000	331,000
(N)	CAPE COD CANAL, MA	8,087,000	8,087,000
(FC)	CHARLES RIVER NATURAL VALLEY STORAGE AREA, MA	153,000	153,000
(FC)	CONANT BROOK LAKE, MA	236,000	236,000
(FC)	EAST BRIMFIELD LAKE, MA	385,000	385,000
(N)	GREEN HARBOR, MA	364,000	364,000
(FC)	HODGES VILLAGE DAM, MA	339,000	339,000
(FC)	KNIGHTVILLE DAM, MA	355,000	355,000
(FC)	LITTLEVILLE LAKE, MA	326,000	326,000
(FC)	NEW BEDFORD FAIRHAVEN AND ACUSHNET HURRICANE BARRIER,	241,000	241,000
(N)	NEWBURYPORT HARBOR, MA	646,000	646,000
(N)	SCITUATE HARBOR, MA	208,000	208,000
(N)	SESUIT HARBOR, MA	217,000	217,000
(FC)	TULLY LAKE, MA	384,000	384,000
(N)	WELLFLEET HARBOR, MA	1,214,000	1,214,000
(FC)	WEST HILL DAM, MA	479,000	479,000
(FC)	WESTVILLE LAKE, MA	369,000	369,000
	MICHIGAN		
(N)	ALPENA HARBOR, MI	218,000	218,000
(N)	ARCADIA HARBOR, MI	77,000	77,000
(N)	BOLLES HARBOR, MI	29,000	29,000
(N)	CHANNELS IN LAKE ST CLAIR, MI	245,000	245,000
(N)	CHARLEVOIX HARBOR, MI	118,000	118,000
(N)	DETROIT RIVER, MI	4,729,000	4,729,000
(N)	EAGLE HARBOR, MI	60,000	60,000
(N)	FRANKFORT HARBOR, MI	372,000	372,000
(N)	GRAND HAVEN HARBOR, MI	817,000	817,000
(N)	GRAND MARAIS HARBOR, MI	218,000	218,000
(N)	GRAND TRAVERSE BAY HARBOR, MI	123,000	123,000
(N)	GRELICKVILLE, MI	63,000	63,000
(N)	HARBOR BEACH HARBOR, MI	77,000	77,000
(N)	HOLLAND HARBOR, MI	417,000	417,000
(N)	INLAND ROUTE, MI	31,000	31,000
(N)	KEWEENAW WATERWAY, MI	1,641,000	1,641,000
(N)	LELAND HARBOR, MI	280,000	280,000
(N)	LEXINGTON HARBOR, MI	224,000	224,000

CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	LITTLE LAKE HARBOR, MI	136,000	136,000
(N)	LUDINGTON HARBOR, MI	495,000	495,000
(N)	MANISTEE HARBOR, MI	440,000	440,000
(N)	MENOMINEE HARBOR, MI & WI	32,000	32,000
(N)	MONROE HARBOR, MI	772,000	772,000
(N)	MUSKEGON HARBOR, MI	805,000	805,000
(N)	ONTONAGON HARBOR, MI	455,000	455,000
(N)	PENTWATER HARBOR, MI	799,000	799,000
(N)	POINT LOOKOUT HARBOR, MI	301,000	301,000
(N)	PORT AUSTIN HARBOR, MI	188,000	188,000
(N)	PORT SANILAC HARBOR, MI	260,000	260,000
(N)	PORTAGE LAKE HARBOR, MI	103,000	103,000
(N)	ROUGE RIVER, MI	297,000	297,000
(N)	SAGINAW RIVER, MI	1,802,000	1,802,000
(N)	SAUGATUCK HARBOR, MI	918,000	918,000
(FC)	SEBEWAING RIVER (ICE JAM REMOVAL), MI	10,000	10,000
(N)	ST CLAIR RIVER, MI	868,000	868,000
(N)	ST JOSEPH HARBOR, MI	1,080,000	1,080,000
(MP)	ST MARYS RIVER, MI	14,962,000	14,962,000
(N)	WHITE LAKE HARBOR, MI	434,000	434,000
	MINNESOTA		
(FC)	BIGSTONE LAKE WHETSTONE RIVER, MN & SD	475,000	475,000
(N)	DULUTH - SUPERIOR HARBOR, MN & WI	3,396,000	3,396,000
(FC)	LAC QUI PARLE LAKES, MINNESOTA RIVER, MN	550,000	550,000
(N)	MINNESOTA RIVER, MN	145,000	145,000
(FC)	ORWELL LAKE, MN	4,077,000	4,077,000
(FC)	RED LAKE RESERVOIR, MN	302,000	302,000
(N)	RESERVOIRS AT HEADWATERS OF MISSISSIPPI RIVER, MN	3,515,000	3,515,000
	MISSISSIPPI		
(N)	BILOXI HARBOR, MS	461,000	461,000
(N)	CLAIBORNE COUNTY PORT, MS	153,000	153,000
(FC)	EAST FORK, TOMBIGBEE RIVER, MS	203,000	203,000
(N)	GULFPORT HARBOR, MS	2,876,000	2,876,000
(N)	MOUTH OF YAZOO RIVER, MS	113,000	113,000
(FC)	OKATIBBEE LAKE, MS	1,773,000	1,773,000
(N)	PASCAGOULA HARBOR, MS	2,998,000	2,998,000
(N)	PEARL RIVER, MS & LA	280,000	280,000
(N)	ROSEDALE HARBOR, MS	410,000	410,000
(N)	YAZOO RIVER, MS	3,000	3,000
	MISSOURI		
(N)	CARUTHERSVILLE HARBOR, MO	300,000	300,000
(MP)	CLARENCE CANNON DAM AND MARK TWAIN LAKE, MO	5,279,000	5,279,000
(FC)	CLEARWATER LAKE, MO	2,065,000	2,065,000
(MP)	HARRY S TRUMAN DAM AND RESERVOIR, MO	8,549,000	8,549,000
(FC)	LITTLE BLUE RIVER LAKES, MO	1,403,000	1,403,000
(FC)	LONG BRANCH LAKE, MO	731,000	731,000
(N)	MISS RIVER BETWEEN OHIO AND MO RIVERS, MO & IL (REG WO	18,858,000	18,858,000
(N)	NEW MADRID HARBOR, MO	300,000	300,000
(FC)	POMME DE TERRE LAKE, MO	1,668,000	1,668,000
(FC)	SMITHVILLE LAKE, MO	1,030,000	1,030,000
(N)	SOUTHEAST MISSOURI PORT, MISSISSIPPI RIVER, MO	150,000	150,000
(MP)	STOCKTON LAKE, MO	3,528,000	3,528,000
(MP)	TABLE ROCK LAKE, MO	5,565,000	5,565,000
(FC)	UNION LAKE, MO	16,000	16,000
(FC)	WAPPAPELLO LAKE, MO	20,000	20,000
	MONTANA		
(MP)	FT PECK DAM AND LAKE, MT	4,050,000	4,050,000
(MP)	LIBBY DAM, LAKE KOOCANUSA, MT	5,009,000	5,009,000
	NEBRASKA		
(MP)	GAVINS POINT DAM, LEWIS AND CLARK LAKE, NE & SD	6,363,000	6,363,000
(FC)	HARLAN COUNTY LAKE, NE	1,488,000	1,488,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	MISSOURI NATIONAL RECREATIONAL RIVER, NE , SD	---	200,000
(MP)	MISSOURI R MASTER WTR CONTROL MANUAL, NE, IA, KS, MO	500,000	500,000
(FC)	PAPILLION CREEK & TRIBUTARIES LAKES, NE	742,000	742,000
(FC)	SALT CREEK AND TRIBUTARIES, NE	811,000	811,000
	NEVADA		
(FC)	MARTIS CREEK LAKE, NV & CA	378,000	378,000
(FC)	PINE AND MATHEWS CANYONS LAKES, NV	163,000	163,000
	NEW HAMPSHIRE		
(FC)	BLACKWATER DAM, NH	387,000	387,000
(FC)	EDWARD MACDOWELL LAKE, NH	346,000	346,000
(FC)	FRANKLIN FALLS DAM, NH	614,000	614,000
(FC)	HOPKINTON - EVERETT LAKES, NH	827,000	827,000
(FC)	OTTER BROOK LAKE, NH	392,000	392,000
(FC)	SURRY MOUNTAIN LAKE, NH	401,000	401,000
	NEW JERSEY		
(N)	BARNEGAT INLET, NJ	1,455,000	1,455,000
(N)	CHEESEQUAKE CREEK, NJ	2,590,000	2,590,000
(N)	COLD SPRING INLET, NJ	485,000	485,000
(N)	DELAWARE RIVER AT CAMDEN, NJ	850,000	850,000
(N)	DELAWARE RIVER, PHILADELPHIA TO THE SEA, NJ, PA & DE	18,157,000	18,157,000
(N)	DELAWARE RIVER, PHILADELPHIA, PA TO TRENTON, NJ	1,255,000	1,255,000
	MANASQUAN INLET, NJ	---	100,000
(N)	NEW JERSEY INTRACOASTAL WATERWAY, NJ	3,729,000	3,729,000
(N)	SALEM RIVER, NJ	410,000	410,000
(N)	SHARK RIVER, NJ	1,190,000	1,190,000
(N)	TOMS RIVER, NJ	290,000	290,000
	NEW MEXICO		
(FC)	ABIQUIU DAM, NM	1,352,000	1,352,000
(FC)	COCHITI LAKE, NM	2,040,000	2,040,000
(FC)	CONCHAS LAKE, NM	1,134,000	1,134,000
(FC)	GALISTEO DAM, NM	244,000	244,000
(FC)	JEMEZ CANYON DAM, NM	398,000	398,000
(FC)	SANTA ROSA DAM AND LAKE, NM	998,000	998,000
(FC)	TWO RIVERS DAM, NM	356,000	356,000
	NEW YORK		
(FC)	ALMOND LAKE, NY	438,000	438,000
(FC)	ARKPORT DAM, NY	226,000	226,000
(N)	BAY RIDGE AND RED HOOK CHANNELS, NY	230,000	230,000
(N)	BLACK ROCK CHANNEL AND TONAWANDA HARBOR, NY	3,205,000	3,205,000
(N)	BROWNS CREEK, NY	500,000	500,000
(N)	BUFFALO HARBOR, NY	455,000	455,000
(N)	BUTTERMILK CHANNEL, NY	820,000	820,000
(N)	DUNKIRK HARBOR, NY	309,000	309,000
(N)	EAST RIVER, NY	195,000	195,000
(N)	EAST ROCKAWAY INLET, NY	930,000	930,000
(FC)	EAST SIDNEY LAKE, NY	483,000	483,000
(N)	FIRE ISLAND TO JONES INLET, NY	1,668,000	1,668,000
(N)	GLEN COVE CREEK, NY	130,000	130,000
(N)	GREAT SODUS BAY HARBOR, NY	10,000	10,000
(N)	HUDSON RIVER CHANNEL, NY	1,380,000	1,380,000
(N)	HUDSON RIVER, NY	2,520,000	2,520,000
(N)	IRONDEQUOIT BAY HARBOR, NY	160,000	160,000
(N)	JAMAICA BAY, NY	220,000	220,000
(N)	JONES INLET, NY	3,880,000	3,880,000
(N)	LAKE MONTAUK HARBOR, NY	1,930,000	1,930,000
(N)	LITTLE SODUS BAY HARBOR, NY	1,560,000	1,560,000
(N)	MATTITUCK HARBOR, NY	570,000	570,000
(FC)	MT MORRIS LAKE, NY	1,810,000	1,810,000
(N)	NEW YORK AND NEW JERSEY CHANNELS, NY	205,000	205,000
(N)	NEW YORK HARBOR (DRIFT REMOVAL), NY & NJ	4,886,000	4,886,000
(N)	NEW YORK HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS)	740,000	740,000
(N)	NEW YORK HARBOR, NY	6,020,000	6,020,000
(N)	OAK ORCHARD HARBOR, NY	10,000	10,000
(N)	OLCOTT HARBOR, NY	10,000	10,000
(N)	OSWEGO HARBOR, NY	496,000	496,000
(N)	SHINNECOCK INLET, NY	200,000	200,000
(FC)	SOUTHERN NEW YORK FLOOD CONTROL PROJECTS, NY	853,000	853,000
(FC)	WHITNEY POINT LAKE, NY	515,000	515,000
(N)	WILSON HARBOR, NY	10,000	10,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	NORTH CAROLINA		
(N)	ATLANTIC INTRACOASTAL WATERWAY, NC	5,097,000	5,097,000
(FC)	B EVERETT JORDAN DAM AND LAKE, NC	1,237,000	1,237,000
(N)	BEAUFORT HARBOR, NC	350,000	350,000
(N)	BELHAVEN HARBOR NC	415,000	415,000
(N)	BOGUE INLET AND CHANNEL, NC	655,000	655,000
(N)	CAPE FEAR RIVER ABOVE WILMINGTON, NC	1,200,000	1,200,000
(N)	CAROLINA BEACH INLET, NC	852,000	852,000
(FC)	FALLS LAKE, NC	1,070,000	1,070,000
(N)	LOCKWOODS FOLLY RIVER, NC	857,000	857,000
(N)	MANTEO (SHALLOWBAG) BAY, NC	6,506,000	6,506,000
(N)	MASONBORO INLET AND CONNECTING CHANNELS, NC	4,650,000	4,650,000
(N)	MOREHEAD CITY HARBOR, NC	3,108,000	3,108,000
(N)	NEW RIVER INLET, NC	1,595,000	1,595,000
(N)	NEW TOPSAIL INLET AND CONNECTING CHANNELS, NC	840,000	840,000
(N)	PAMLICO AND TAR RIVERS, NC	125,000	125,000
(N)	ROANOKE RIVER, NC	125,000	125,000
(N)	SILVER LAKE HARBOR, NC	200,000	200,000
(FC)	W KERR SCOTT DAM AND RESERVOIR, NC	2,848,000	2,848,000
(N)	WILMINGTON HARBOR, NC	6,048,000	6,048,000
	NORTH DAKOTA		
(FC)	BOWMAN - HALEY LAKE, ND	222,000	222,000
(MP)	GARRISON DAM, LAKE SAKAKAWEA, ND	9,154,000	9,154,000
(FC)	HOMME LAKE, ND	149,000	149,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND	1,230,000	1,230,000
(FC)	PIPESTEM LAKE, ND	405,000	405,000
(FC)	SOURIS RIVER, ND	101,000	101,000
	OHIO		
(FC)	ALUM CREEK LAKE, OH	861,000	861,000
(N)	ASHTABULA HARBOR, OH	1,088,000	1,088,000
(FC)	BERLIN LAKE, OH	1,907,000	1,907,000
(FC)	CAESAR CREEK LAKE, OH	1,186,000	1,186,000
(FC)	CLARENCE J BROWN DAM, OH	722,000	722,000
(N)	CLEVELAND HARBOR, OH	13,038,000	13,038,000
(N)	CONNEAUT HARBOR, OH	655,000	655,000
(FC)	DEER CREEK LAKE, OH	620,000	620,000
(FC)	DELAWARE LAKE, OH	623,000	623,000
(FC)	DILLON LAKE, OH	914,000	914,000
(N)	HURON HARBOR, OH	820,000	820,000
(N)	LORAIN HARBOR, OH	407,000	407,000
(FC)	MASSILLON LOCAL PROTECTION PROJECT, OH	25,000	25,000
(FC)	MICHAEL J KIRWAN DAM AND RESERVOIR, OH	922,000	922,000
(FC)	MOSQUITO CREEK LAKE, OH	1,026,000	1,026,000
(FC)	MUSKINGUM RIVER LAKES, OH	8,287,000	8,287,000
(FC)	NORTH BRANCH KOKOSING RIVER LAKE, OH	213,000	213,000
(FC)	PAINT CREEK LAKE, OH	521,000	521,000
(N)	PORTSMOUTH HARBOR, OH	75,000	75,000
(N)	ROCKY RIVER, OH	12,000	12,000
(FC)	ROSEVILLE LOCAL PROTECTION PROJECT, OH	30,000	30,000
(N)	SANDUSKY HARBOR, OH	1,030,000	1,030,000
(N)	TOLEDO HARBOR, OH	3,502,000	3,502,000
(FC)	TOM JENKINS DAM, OH	430,000	430,000
(N)	VERMILION HARBOR, OH	10,000	10,000
(FC)	WEST FORK OF MILL CREEK LAKE, OH	609,000	609,000
(FC)	WILLIAM H HARSHA LAKE, OH	850,000	850,000
	OKLAHOMA		
(FC)	ARCADIA LAKE, OK	292,000	292,000
(FC)	BIRCH LAKE, OK	749,000	749,000
(MP)	BROKEN BOW LAKE, OK	2,059,000	2,059,000
(FC)	CANDY LAKE, OK	39,000	39,000
(FC)	CANTON LAKE, OK	1,692,000	1,692,000
(FC)	COPAN LAKE, OK	874,000	874,000
(MP)	EUFAULA LAKE, OK	4,405,000	4,405,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(MP)	FORT GIBSON LAKE, OK	4,271,000	4,271,000
(FC)	FORT SUPPLY LAKE, OK	847,000	847,000
(FC)	GREAT SALT PLAINS LAKE, OK	337,000	337,000
(FC)	HEYBURN LAKE, OK	754,000	754,000
(FC)	HUGO LAKE, OK	1,527,000	1,527,000
(FC)	HULAH LAKE, OK	401,000	401,000
(FC)	KAW LAKE, OK	1,702,000	1,702,000
(MP)	KEYSTONE LAKE, OK	3,819,000	3,819,000
(FC)	OOLOGAH LAKE, OK	1,373,000	1,373,000
(FC)	OPTIMA LAKE, OK	511,000	511,000
(FC)	PENSACOLA RESERVOIR - LAKE OF THE CHEROKEES, OK	5,000	5,000
(FC)	PINE CREEK LAKE, OK	1,168,000	1,168,000
(MP)	ROBERT S KERR LOCK AND DAM AND RESERVOIRS, OK	4,862,000	4,862,000
(FC)	SARDIS LAKE, OK	857,000	857,000
(FC)	SKIATOOK LAKE, OK	789,000	789,000
(MP)	TENKILLER FERRY LAKE, OK	3,371,000	3,371,000
(FC)	WAURIKA LAKE, OK	1,894,000	1,894,000
(MP)	WEBBERS FALLS LOCK AND DAM, OK	3,515,000	3,515,000
(FC)	WISTER LAKE, OK	947,000	947,000
	OREGON		
(FC)	APPLEGATE LAKE, OR	664,000	664,000
	ASTORIA HARBOR, NORTH BREAKWATER, OR	---	275,000
(FC)	BLUE RIVER LAKE, OR	442,000	442,000
(MP)	BONNEVILLE LOCK AND DAM, OR & WA	18,788,000	18,788,000
(N)	CHETCO RIVER, OR	500,000	500,000
(N)	COLUMBIA & LWR WILLAMETTE R BLW VANCOUVER, WA & PORTLA	11,017,000	11,017,000
(N)	COLUMBIA RIVER AT THE MOUTH, OR & WA	8,013,000	8,013,000
(N)	COLUMBIA RIVER BETWEEN VANCOUVER, WA AND THE DALLES, O	420,000	420,000
(N)	COOS BAY, OR	4,349,000	4,349,000
(N)	COQUILLE RIVER, OR	454,000	454,000
(FC)	COTTAGE GROVE LAKE, OR	719,000	719,000
(MP)	COUGAR LAKE, OR	1,282,000	1,282,000
(N)	DEPOE BAY, OR	3,000	3,000
(MP)	DETROIT LAKE, OR	2,247,000	2,247,000
(FC)	DORENA LAKE, OR	552,000	552,000
(FC)	FALL CREEK LAKE, OR	559,000	559,000
(FC)	FERN RIDGE LAKE, OR	920,000	920,000
(MP)	GREEN PETER - FOSTER LAKES, OR	2,558,000	2,558,000
(MP)	HILLS CREEK LAKE, OR	752,000	752,000
(MP)	JOHN DAY LOCK AND DAM, OR & WA	14,988,000	14,988,000
(MP)	LOOKOUT POINT LAKE, OR	5,439,000	5,439,000
(MP)	LOST CREEK LAKE, OR	3,914,000	3,914,000
(MP)	MCNARY LOCK AND DAM, OR & WA	12,561,000	12,561,000
(N)	PORT ORFORD, OR	425,000	425,000
(N)	PORT OF TOLEDO, OR	---	500,000
(N)	ROGUE RIVER, OR	816,000	816,000
(N)	SIUSLAW RIVER, OR	864,000	864,000
(N)	SKIPANON CHANNEL, OR	61,000	61,000
(N)	TILLAMOOK BAY AND BAR, OR	43,000	43,000
(N)	UMPQUA RIVER, OR	1,094,000	1,094,000
(N)	WILLAMETTE RIVER AT WILLAMETTE FALLS, OR	846,000	846,000
(FC)	WILLAMETTE RIVER BANK PROTECTION, OR	70,000	70,000
(FC)	WILLOW CREEK LAKE, OR	482,000	482,000
(N)	YAQUINA BAY AND HARBOR, OR	1,565,000	1,565,000
	PENNSYLVANIA		
(N)	ALLEGHENY RIVER, PA	12,736,000	12,736,000
(FC)	ALVIN R BUSH DAM, PA	612,000	612,000
(FC)	AYLESWORTH CREEK LAKE, PA	205,000	205,000
(FC)	BELTZVILLE LAKE, PA	1,425,000	1,425,000
(FC)	BLUE MARSH LAKE, PA	2,059,000	2,059,000
(FC)	CONEMAUGH RIVER LAKE, PA	3,112,000	3,112,000
(FC)	COWANESQUE LAKE, PA	2,084,000	2,084,000
(FC)	CROOKED CREEK LAKE, PA	1,201,000	1,201,000
(FC)	CURWENSVILLE LAKE, PA	669,000	669,000
(FC)	EAST BRANCH CLARION RIVER LAKE, PA	1,036,000	1,036,000
(N)	ERIE HARBOR, PA	468,000	468,000
(FC)	FOSTER JOSEPH SAYERS DAM, PA	683,000	683,000
(FC)	FRANCIS E WALTER DAM, PA	675,000	675,000
(FC)	GENERAL EDGAR JADWIN DAM AND RESERVOIR, PA	331,000	331,000
(FC)	JOHNSTOWN, PA	1,243,000	1,243,000
(FC)	KINZUA DAM AND ALLEGHENY RESERVOIR, PA	1,559,000	1,559,000
(FC)	LOYALHANNA LAKE, PA	1,155,000	1,155,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	MAHONING CREEK LAKE, PA	1,844,000	1,844,000
(N)	MONONGAHELA RIVER, PA	16,586,000	16,586,000
(FC)	PROMPTON LAKE, PA	463,000	463,000
(FC)	PUNXSUTAWNEY, PA	37,000	37,000
(FC)	RAYSTOWN LAKE, PA	3,426,000	5,926,000
(N)	SCHUYLKILL RIVER, PA	1,930,000	1,930,000
(FC)	SHENANGO RIVER LAKE, PA	2,074,000	2,074,000
(FC)	STILLWATER LAKE, PA	373,000	373,000
(FC)	TIOGA - HAMMOND LAKES, PA	2,415,000	2,415,000
(FC)	TIONESTA LAKE, PA	1,256,000	1,256,000
(FC)	UNION CITY LAKE, PA	296,000	296,000
(FC)	WOODCOCK CREEK LAKE, PA	1,242,000	1,242,000
(FC)	YORK INDIAN ROCK DAM, PA	3,044,000	3,044,000
(FC)	YOUGHIOGHENY RIVER LAKE, PA	1,833,000	1,833,000
	PUERTO RICO		
(N)	SAN JUAN HARBOR, PR	10,000	10,000
	SOUTH CAROLINA		
(N)	ATLANTIC INTRACOASTAL WATERWAY, SC	2,420,000	2,420,000
(N)	CHARLESTON HARBOR, SC	5,426,000	6,626,000
(N)	COOPER RIVER, CHARLESTON HARBOR, SC	2,469,000	2,469,000
(N)	FOLLY RIVER, SC	386,000	386,000
(N)	GEORGETOWN HARBOR, SC	3,509,000	3,509,000
(N)	LITTLE RIVER INLET, SC & NC	64,000	64,000
(N)	MURRELLS INLET, SC	65,000	65,000
(N)	PORT ROYAL HARBOR, SC	1,192,000	1,192,000
(N)	SHIPYARD RIVER, SC	428,000	428,000
(N)	TOWN CREEK, SC	491,000	491,000
	SOUTH DAKOTA		
(MP)	BIG BEND DAM - LAKE SHARPE, SD	6,079,000	6,079,000
(FC)	COLD BROOK LAKE, SD	190,000	190,000
(FC)	COTTONWOOD SPRINGS LAKE, SD	184,000	184,000
(MP)	FT RANDALL DAM - LAKE FRANCIS CASE, SD	8,520,000	8,520,000
(FC)	LAKE TRAVERSE, SD & MN	973,000	973,000
(MP)	OAHE DAM - LAKE OAHE, SD & ND	9,363,000	9,363,000
	TENNESSEE		
(MP)	CENTER HILL LAKE, TN	5,251,000	5,251,000
(MP)	CHEATHAM LOCK AND DAM, TN	5,895,000	5,895,000
(MP)	CORDELL HULL DAM AND RESERVOIR, TN	4,192,000	4,192,000
(MP)	DALE HOLLOW LAKE, TN	4,082,000	4,082,000
(MP)	J PERCY PRIEST DAM AND RESERVOIR, TN	4,410,000	4,410,000
(MP)	OLD HICKORY LOCK AND DAM, TN	7,281,000	7,281,000
(N)	TENNESSEE RIVER, TN	13,637,000	13,637,000
(N)	WOLF RIVER HARBOR, TN	650,000	650,000
	TEXAS		
(FC)	AQUILLA LAKE, TX	623,000	623,000
(FC)	ARKANSAS - RED RIVER BASINS CHLORIDE CONTROL - AREA VI	1,139,000	1,139,000
(FC)	BARDWELL LAKE, TX	1,210,000	1,210,000
(FC)	BELTON LAKE, TX	2,249,000	2,249,000
(FC)	BENBROOK LAKE, TX	1,610,000	1,610,000
(N)	BRAZOS ISLAND HARBOR, TX	1,038,000	1,038,000
(FC)	BUFFALO BAYOU AND TRIBUTARIES, TX	3,649,000	3,649,000
(FC)	CANYON LAKE, TX	1,657,000	1,657,000
(N)	CHANNEL TO PORT MANSFIELD, TX	1,510,000	1,510,000
(FC)	COOPER LAKE AND CHANNELS, TX	874,000	874,000
(N)	CORPUS CHRISTI SHIP CHANNEL, TX	2,190,000	2,190,000
(MP)	DENISON DAM - LAKE TEXOMA, TX	6,033,000	6,033,000
(FC)	ESTELLINE SPRINGS, TX	12,000	12,000
(FC)	FERRELLS BRIDGE DAM - LAKE O'THE PINES, TX	2,130,000	2,130,000
(N)	FREEPORT HARBOR, TX	2,870,000	2,870,000
(N)	GALVESTON HARBOR AND CHANNEL, TX	136,000	136,000
(N)	GIWW - CHANNEL TO VICTORIA, TX	1,595,000	1,595,000
(FC)	GRANGER DAM AND LAKE, TX	1,459,000	1,459,000
(FC)	GRAPEVINE LAKE, TX	1,956,000	1,956,000
(N)	GULF INTRACOASTAL WATERWAY, TX	17,805,000	17,805,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	HORDS CREEK LAKE, TX	1,007,000	1,007,000
(N)	HOUSTON SHIP CHANNEL, TX	5,823,000	5,823,000
(FC)	JOE POOL LAKE, TX	810,000	810,000
(FC)	LAKE KEMP, TX	218,000	218,000
(FC)	LAVON LAKE, TX	2,303,000	2,303,000
(FC)	LEWISVILLE DAM, TX	2,798,000	2,798,000
(N)	MATAGORDA SHIP CHANNEL, TX	5,145,000	5,145,000
(N)	MOUTH OF THE COLORADO RIVER, TX	1,780,000	1,780,000
(FC)	NAVARRO MILLS LAKE, TX	1,388,000	1,388,000
(FC)	NORTH SAN GABRIEL DAM AND LAKE GEORGETOWN, TX	1,540,000	1,540,000
(FC)	O C FISHER DAM AND LAKE, TX	1,120,000	1,120,000
(FC)	PAT MAYSE LAKE, TX	873,000	873,000
(FC)	PROCTOR LAKE, TX	1,528,000	1,528,000
(FC)	RAY ROBERTS LAKE, TX	783,000	783,000
(N)	SABINE - NECHES WATERWAY, TX	11,946,000	11,946,000
(MP)	SAM RAYBURN DAM AND RESERVOIR, TX	4,217,000	4,217,000
(FC)	SOMERVILLE LAKE, TX	2,282,000	2,282,000
(FC)	STILLHOUSE HOLLOW DAM, TX	1,519,000	1,519,000
(N)	TEXAS CITY SHIP CHANNEL, TX	1,525,000	1,525,000
(MP)	TOWN BLUFF DAM - B A STEINHAGEN LAKE, TX	1,502,000	1,502,000
(N)	TRINITY RIVER & TRIBUTARIES, TX	1,270,000	1,270,000
(FC)	WACO LAKE, TX	2,014,000	2,014,000
(FC)	WALLISVILLE LAKE, TX	473,000	473,000
(MP)	WHITNEY LAKE, TX	3,659,000	3,659,000
(FC)	WRIGHT PATMAN DAM AND LAKE, TX	2,326,000	2,326,000
	VERMONT		
(FC)	BALL MOUNTAIN LAKE, VT	548,000	548,000
(N)	NARROWS OF LAKE CHAMPLAIN, VT & NY	645,000	645,000
(FC)	NORTH HARTLAND LAKE, VT	398,000	398,000
(FC)	NORTH SPRINGFIELD LAKE, VT	483,000	483,000
(FC)	TOWNSHEND LAKE, VT	506,000	506,000
(FC)	UNION VILLAGE DAM, VT	363,000	363,000
	VIRGINIA		
(N)	ATLANTIC INTRACOASTAL WATERWAY, VA	3,169,000	3,169,000
(N)	CHANNEL TO NEWPORT NEWS, VA	590,000	590,000
(N)	CHINCOTEAGUE BAY CHANNEL, VA	42,000	42,000
(N)	CHINCOTEAGUE HARBOR OF REFUGE, VA	36,000	36,000
(N)	CHINCOTEAGUE INLET, VA	888,000	888,000
(N)	CRANES CREEK, VA	321,000	321,000
(N)	DEEP CREEK, VA	597,000	597,000
(FC)	GATHRIGHT DAM AND LAKE MOOMAW, VA	2,169,000	2,169,000
(N)	HAMPTON RDS, NORFOLK & NEWPORT NEWS HBR, VA (DRIFT REM	647,000	647,000
(N)	HOSKINS CREEK, VA	395,000	395,000
(N)	JAMES RIVER CHANNEL, VA	1,616,000	1,616,000
(MP)	JOHN H KERR LAKE, VA & NC	8,770,000	8,770,000
(FC)	JOHN W FLANNAGAN DAM AND RESERVOIR, VA	1,551,000	1,551,000
(N)	NORFOLK HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS), V	200,000	200,000
(N)	NORFOLK HARBOR, VA	5,131,000	5,131,000
(FC)	NORTH FORK OF POUND RIVER LAKE, VA	351,000	351,000
(MP)	PHILPOTT LAKE, VA	2,266,000	2,266,000
(N)	QUEENS CREEK, MATHEWS COUNTY, VA	337,000	337,000
(N)	RUDEE INLET, VA	570,000	570,000
(N)	STARLINGS CREEK, VA	389,000	389,000
(N)	TANGIER CHANNEL, VA	467,000	467,000
(N)	THIMBLE SHOAL CHANNEL, VA	1,355,000	1,355,000
(N)	TYLERS BEACH, VA	34,000	34,000
(N)	WATERWAY ON THE COAST OF VIRGINIA, VA	1,268,000	1,268,000
	WASHINGTON		
(MP)	CHIEF JOSEPH DAM, WA	12,038,000	12,038,000
(N)	COLUMBIA RIVER AT BAKER BAY, WA & OR	26,000	26,000
(N)	COLUMBIA RIVER BETWEEN CHINOOK AND SAND ISLAND, WA	7,000	7,000
(MP)	COLUMBIA RIVER SYSTEM OPERATION REVIEW, WA, ID, MT & O	559,000	559,000
(N)	EVERETT HARBOR AND SNOHOMISH RIVER, WA	870,000	870,000
(N)	GRAYS HARBOR AND CHEHALIS RIVER, WA	10,655,000	10,655,000
(FC)	HOWARD A HANSON DAM, WA	1,373,000	1,373,000
(MP)	ICE HARBOR LOCK AND DAM, WA	14,884,000	14,884,000
(N)	KENMORE NAVIGATION CHANNEL, WA	202,000	202,000
(N)	LAKE WASHINGTON SHIP CANAL, WA	6,877,000	6,877,000
(MP)	LITTLE GOOSE LOCK AND DAM, WA	4,978,000	4,978,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(MP)	LOWER GRANITE LOCK AND DAM, WA	10,618,000	10,618,000
(MP)	LOWER MONUMENTAL LOCK AND DAM, WA	5,318,000	5,318,000
(FC)	MILL CREEK LAKE, VIRGIL B BENNINGTON LAKE, WA	731,000	731,000
(FC)	MT ST HELENS, WA	432,000	432,000
(FC)	MUD MOUNTAIN DAM, WA	1,922,000	1,922,000
(N)	OLYMPIA HARBOR, WA	12,000	12,000
(N)	PUGET SOUND AND TRIBUTARY WATERS, WA	1,155,000	1,155,000
(N)	QUILLAYUTE RIVER, WA	2,250,000	2,250,000
(N)	SEATTLE HARBOR, WA	678,000	678,000
(FC)	STILLAGUAMISH RIVER, WA	174,000	174,000
(FC)	TACOMA, PUYALLUP RIVER, WA	56,000	56,000
(MP)	THE DALLES LOCK AND DAM, WA & OR	12,270,000	12,270,000
(N)	WILLAPA RIVER AND HARBOR, WA	431,000	431,000
	WEST VIRGINIA		
(FC)	BEECH FORK LAKE, WV	956,000	956,000
(FC)	BLUESTONE LAKE, WV	1,741,000	1,741,000
(FC)	BURNSVILLE LAKE, WV	1,187,000	1,187,000
(FC)	EAST LYNN LAKE, WV	1,296,000	1,296,000
(N)	ELK RIVER HARBOR, WV	3,000	3,000
(FC)	ELKINS, WV	10,000	10,000
(N)	KANAWHA RIVER LOCKS AND DAMS, WV	11,376,000	11,376,000
(FC)	R D BAILEY LAKE, WV	1,632,000	1,632,000
(FC)	STONEWALL JACKSON LAKE, WV	957,000	957,000
(FC)	SUMMERSVILLE LAKE, WV	1,310,000	1,310,000
(FC)	SUTTON LAKE, WV	1,753,000	1,753,000
(N)	TYGART LAKE, WV	1,615,000	1,615,000
	WISCONSIN		
(N)	ALGOMA HARBOR, WI	117,000	117,000
(N)	CORNUCOPIA HARBOR, WI	107,000	107,000
(FC)	EAU GALLE RIVER LAKE, WI	560,000	560,000
(N)	FOX RIVER, WI	2,215,000	2,215,000
(N)	GREEN BAY HARBOR, WI	1,029,000	1,029,000
(N)	KENOSHA HARBOR, WI	130,000	130,000
(N)	KEWAUNEE HARBOR, WI	300,000	300,000
(FC)	LA FARGE LAKE, WI	43,000	43,000
(N)	MANITOWOC HARBOR, WI	257,000	257,000
(N)	MILWAUKEE HARBOR, WI	3,123,000	3,123,000
(N)	SHEBOYGAN HARBOR, WI	883,000	883,000
(N)	STURGEON BAY HARBOR & LAKE MICHIGAN SHIP CANAL, WI	2,831,000	2,831,000
(N)	TWO RIVERS HARBOR, WI	760,000	760,000
	WYOMING		
(FC)	JACKSON HOLE LEVEES, WY	979,000	979,000
	MISCELLANEOUS		
	CIVIL WORKS ENERGY DATA SYSTEM	60,000	---
	COASTAL INLET RESEARCH PROGRAM	4,000,000	2,000,000
	DREDGING DATA AND LOCK PERFORMANCE MONITORING SYSTEM	480,000	480,000
	DREDGING OPERATIONS AND ENVIRONMENTAL RESEARCH (DOER)	3,000,000	---
	DREDGING OPERATIONS TECHNICAL SUPPORT PROGRAM (DOTS)	3,350,000	1,675,000
	EARTHQUAKE HAZARDS PROGRAM FOR BUILDINGS AND LIFELINES	1,250,000	800,000
	ENVIRONMENTAL REVIEW GUIDE FOR OPERATIONS (ERGO)	2,000,000	---
	HAZARDOUS WASTE SITE RESTORATION	3,000,000	---
	INSPECTION OF COMPLETED WORKS	7,818,000	6,000,000
	MISSISSIPPI RIVER BASIN MAINSTEM MODEL DEVELOPMENT	1,000,000	500,000
	MONITORING OF COMPLETED COASTAL PROJECTS	2,100,000	1,900,000
	NATIONAL DAM SAFETY PROGRAM	20,000	20,000
	NATIONAL EMERGENCY PREPAREDNESS PROGRAMS (NEPP)	7,000,000	5,000,000
	NATIVE AMERICAN GRAVES PROTECTION AND REPATRIATION	4,000,000	2,000,000
	NATURAL RESOURCES INVENTORY (NRI)	500,000	---
	NATURAL RESOURCES TECHNICAL SUPPORT (NRTS)	1,800,000	---
	PEER REVIEW PROGRAM	400,000	---
	PERFORMANCE MEASUREMENTS FOR O&M	3,500,000	---
	POLLUTION PREVENTION PROGRAM	4,000,000	---
	PROJECT CONDITION SURVEYS	11,498,000	7,000,000
	PROTECT, CLEAR AND STRAIGHTEN CHANNELS (SECTION 3)	50,000	50,000
	REAL TIME WATER CONTROL RESEARCH PROGRAM (WCRP)	1,000,000	---
	REINVESTED USER FEES FOR RECREATION IMPROVEMENTS	5,000,000	---
	RELIABILITY MODELS PROGRAM FOR MAJOR REHABILITATION	675,000	500,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	REMOVAL OF SUNKEN VESSELS	1,000,000	500,000
	REPAIR EVALUATION MAINTENANCE RESEARCH (REMR II)	6,000,000	1,500,000
	RIVER CONFLUENCE ICE RESEARCH	1,150,000	---
	SCANNING HYDROGRAPHIC OPERATIONAL AIRBORNE LIDAR SURVE	1,750,000	1,750,000
	SCHEDULING RESERVOIR OPERATIONS	3,058,000	3,000,000
	SURVEILLANCE OF NORTHERN BOUNDARY WATERS	4,108,000	3,000,000
	WATER OPERATIONS TECHNICAL SUPPORT (WOTS) PROGRAM	1,600,000	---
	WATERBORNE COMMERCE STATISTICS	4,200,000	4,200,000
	WETLANDS ACTION PLAN IMPLEMENTATION	500,000	---
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-55,770,000	-67,770,000
	TOTAL, OPERATION AND MAINTENANCE	1,749,875,000	1,703,697,000

TYPE OF PROJECT:
(N) NAVIGATION
(BE) BEACH EROSION CONTROL
(FC) FLOOD CONTROL
(MP) MULTIPURPOSE, INCLUDING POWER

TITLE II

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs and activities of the Bureau of Reclamation. Additional items of conference agreement are discussed below.

GENERAL INVESTIGATIONS

Amendment No. 17: Appropriates $12,684,000 for General Investigations instead of $13,114,000 as proposed by the House and $11,234,000 as proposed by the Senate.

Amendment No. 18: Deletes language proposed by the Senate providing $300,000 for the completion of the feasibility study of alternatives for meeting drinking water needs on the Cheyenne River Sioux Reservation and surrounding communities in South Dakota. Funding for this project ($150,000) is included in the amount appropriated in Amendment No. 17.

CONSTRUCTION PROGRAM

Amendment No. 19: Appropriates $411,046,000 for Construction Program instead of $417,301,000 as proposed by the House and $390,461,000 as proposed by the Senate.

The conference agreement includes $12,069,000 for Miscellaneous Project Programs of the Central Valley Project, California, which includes $200,000 for the Salmon Stamp Program as described in the House Report, $250,000 for the Colusa Basin Drainage District Management Project, and $5,750,000 for the unscreened diversions program, which is $250,000 less than the budget request.

The conferees have provided $6,540,000 for the Sacramento River Division of the Central Valley Project, California. The amount provided includes: $3,000,000 for the completion of engineering and design and initiation of construction of a new fish screen and fish recovery facilities at the Glenn-Colusa Irrigation District's Hamilton City Pumping Plant; $1,000,000 for the continuation of the pilot research pumping facility evaluation; $500,000 for the program to find solutions for passage for endangered and threatened fish at the Red Bluff Diversion Dam; $865,000 for the installation and evaluation of alternative fish guidance systems at Reclamation District 108 and Reclamation District 1004; and $300,000 for the Winter-Run Chinook Salmon Captive Broodstock Program.

The conference agreement includes $5,067,000 for the Trinity River Restoration Program, California, the same as the budget request and the amount provided in the House and Senate bills. Included in this total is $500,000 to carry out the interagency agreement between the Bureau of Reclamation and the Hoopa Valley Tribe regarding the Cooperative for Comprehensive Fisheries Management and funds necessary to complete the Environmental Impact Statement is support of the instream flow decision the Secretary of the Interior is required to render in 1996.

On July 17, 1995, one of the eight spillway gates at Folsom Dam in California failed resulting in an uncontrolled flow of 40,000 cubic feet per second of water from the reservoir. The total loss of water was about 360,000 acre-feet, which is approximately 35% of total reservoir capacity. The conferees are aware that the Bureau of Reclamation has begun work to design a replacement for the damaged gate, with the goal of having the replacement gate installed in 1996. Because of the timing of this event, no funds were included in either the House bill or the Senate bill to accomplish this work. The conferees agree that the Bureau of Reclamation may reprogram up to $6,000,000 of the funds available to it in fiscal year 1996, upon notification of the House and Senate Appropriations Committees, for the removal and replacement of the damaged gate and the remediation of the remaining spillway gates at Folsom Dam. If additional funds are required in fiscal year 1996 to complete the work, the Bureau of Reclamation should request those funds following the normal reprogramming procedures.

On August 22, 1995, the Department of the Interior submitted to the House and Senate subcommittees a request to reprogram $5,000,000 to the Los Angeles Area Water Reclamation and Reuse, California, project. Because of the unanticipated funding needs which have arisen, including the need to repair Folsom Dam in California and the need to make additional dam safety repairs at Ochoco Dam in Oregon, the conferees have agreed to defer, without prejudice, action on this reprogramming request.

The conference agreement includes $1,500,000 for the National Fish and Wildlife Foundation as proposed by the Senate. The House had deleted the funds requested by the Administration for this program. Within the amounts provided for the National Fish and Wildlife Foundation, $500,000 shall be made available to support the Spring Run and Coho Salmon Programs approved by the House under the Central Valley Project, Miscellaneous Project Programs, California, and $100,000 shall be made available to support the Kaweah River Delta Corridor Project. The conferees are concerned about certain grants that have been made by the National Fish and Wildlife Foundation to organizations known to be hostile to the interests of private landowners and those engaged in the productive and lawful use of public lands. The conferees have included the funding cited above for the Foundation based upon the understanding that its grant award procedures have been considerably tightened, and that the Foundation will make a concerted effort to avoid making further grants to the types of organizations described above. The Foundation's performance in this regard will be closely monitored by the Committees during the coming year.

The conference agreement includes $5,000,000 for the Wetlands Development Program. From within that amount, the conferees direct that $3,600,000 be utilized to continue the Caddo Lake wetlands project in Texas.

The conferees agree with the language contained in the House Report regarding the Rillito Creek, Arizona, High Plains Groundwater Recharge Demonstration project. In addition, the conference agreement includes $500,000 for the Bureau of Reclamation to continue the Equus Beds recharge project in Kansas.

Amendment No. 20: Provides that $94,225,000 of the funds appropriated under the Construction Program shall be available for transfer to the Lower Colorado River Basin Development Fund for construction of the Central Arizona Project as proposed by the House instead of $92,725,000 as proposed by the Senate.

OPERATION AND MAINTENANCE

Amendment No. 21: Appropriates $273,076,000 for Operation and Maintenance instead of $278,759,000 as proposed by the House and $267,393,000 as proposed by the Senate.

Due to the budgetary situation, the conferees have provided $273,076,000 for the Bureau of Reclamation's operation and maintenance program, which is $15,683,000 below the budget request and $1,224,000 below the amount appropriated in fiscal year 1995. The conferees expect the Bureau of Reclamation to use the flexibility available to it in managing the operation and maintenance program to ensure that the most critical maintenance needs are met. In that regard, the conferees agree with the language contained in the House Report regarding the growth in the Associated Operation and Maintenance Program and expect the Bureau of Reclamation to derive a significant share of the reduction below the budget request from the various Associated O&M Programs in order to retain as much money as possible for operation and maintenance of projects.

The conferees note that the backlog in replacements, additions, and extraordinary maintenance items continues to grow for the Central Valley Project in California. In addition, the conferees are concerned that the Bureau of Reclamation has failed to comply with the directive to submit a plan, by February of 1995, for reducing the backlog in replacements, additions, and extraordinary maintenance items in a timely manner and direct that this previously requested plan be submitted as soon as possible. The conference agreement does include $4,625,000 for replacements, additions, and extraordinary maintenance items, the same as the budget request. The conferees urge the Bureau of Reclamation to continue its efforts to reach consensus with the canal authorities on the manner that those funds are allocated. The conference agreement also includes $5,454,000 for operation and maintenance of the Trinity River Division. The amount provided includes sufficient funds to continue to monitoring and tagging tasks, repair of winter damage, and sediment control needed for continued management of the Trinity River fishery.

The conferees have been informed that landowners and farmers suffered flooding and destruction of crops in March 1995 from waters of the Arroyo Pasajaro in Fresno County, California. The waters were diverted from the San Luis Canal, jointly operated by the Bureau of Reclamation and the State of California. The conferees direct the Bureau to evaluate the damage and report back to Congress on whether Federal responsibility is involved and if steps should be taken to provide compensation to those suffering damage.

CENTRAL VALLEY PROJECT RESTORATION FUND

The conferees direct that the $1,000,000 requested for the San Joaquin River Basin Resource Management Initiative, and any funds remaining from previous fiscal years, not be expended for that purpose. This action is consistent with action of the Congress during consideration of H.R. 1158. In the reports accompanying that bill, the Bureau of Reclamation was directed not to obligate any additional funds in fiscal year 1995 for the San Joaquin River Basin Resource Management Initiative.

The conference agreement includes $12,281,000 for the Shasta Dam Temperature Control Device, $1,000,000 above the budget request.

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
GENERAL INVESTIGATIONS		
ARIZONA		
TUCSON/PHOENIX WATER CONSERVATION AND EXCHANGE STUDY..	50,000	50,000
VERDE RIVER BASIN MANAGEMENT STUDY.....	125,000	125,000
CALIFORNIA		
DEL NORTE CNTY/CRESCENT CITY WASTEWATER RECLAMATION ST	---	300,000
FORT BRAGG WATER RECLAMATION STUDY.....	---	500,000
IMPERIAL VALLEY WATER RECLAMATION & REUSE STUDY.....	175,000	175,000
LOWER OWENS RIVER ENVIRONMENTAL STUDY.....	100,000	---
MALIBU CREEK FISHERY ENHANCEMENT STUDY.....	50,000	---
SALTON SEA RESEARCH PROJECT.....	---	100,000
SAN FRANCISCO AREA WATER RECLAMATION STUDY.....	700,000	1,000,000
SO CALIF COASTAL WATER SUPPLY STUDY.....	50,000	50,000
SO CALIF COMPREHENSIVE WATER SUPPLY & RECLAMATION STUD	750,000	750,000
COLORADO		
GRAND VALLEY PROJECT WATER CONSERVATION STUDY.....	50,000	50,000
SOUTHWEST COLORADO RURAL WATER SUPPLY.....	75,000	---
YAMPA RIVER WATER SUPPLY STUDY.....	50,000	50,000
IDAHO		
IDAHO RIVER SYSTEMS MANAGEMENT.....	100,000	100,000
UPPER SALMON RIVER WATER OPTIMIZATION.....	150,000	150,000
KANSAS		
KANSAS COMPREHENSIVE INVESTIGATION.....	100,000	75,000
MONTANA		
WESTERN MONTANA WATER CONSERVATION STUDY.....	200,000	200,000
YELLOWSTONE RIVER BASIN STUDY.....	140,000	120,000
NEBRASKA		
NEBRASKA WATER SUPPLY ASSESSMENT.....	100,000	75,000
NEVADA		
WALKER RIVER BASIN.....	---	150,000
NEW MEXICO		
RIO GRANDE/LOW FLOW CONVEYANCE CHANNEL.....	100,000	75,000
SAN JUAN RIVER GALLUP - NAVAJO WATER SUPPLY, NM.....	---	100,000
OKLAHOMA		
OKLAHOMA WATER SUPPLY STUDY.....	100,000	75,000
OREGON		
CARLTON LAKE RESTORATION.....	50,000	50,000
CENTRAL OREGON IRRIG SYS CONSERVATION PROJ FEASIBILITY	200,000	200,000
UPPER DESCHUTES PROJECT.....	50,000	50,000
GRANDE RONDE RIVER BASIN	200,000	200,000
NORTHWEST OREGON REGIONAL WATER SUPPLY.....	300,000	300,000
OREGON STREAM RESTORATION PLANNING STUDY.....	150,000	150,000
OREGON SUBBASIN CONSERVATION PLANNING	200,000	200,000
OWYHEE STORAGE OPTIMIZATION STUDY.....	50,000	50,000
SOUTHERN OREGON COASTAL RIVER BASINS.....	100,000	100,000
SOUTH DAKOTA		
CHEYENNE RIVER SIOUX RESERVATION.....	---	150,000
SOUTH DAKOTA		
BLACK HILLS REGIONAL WATER MANAGEMENT STUDY.....	150,000	150,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
TEXAS		
EDWARDS AQUIFER REGIONAL WATER RESOURCES & MGMT STUDY.	240,000	240,000
RINCON BAYOU-NUECES MARSH WETLANDS RESTOR/ENHANCE PROJ	150,000	150,000
RIO GRANDE/RIO BRAVO INTERNATIONAL BASIN ASSESSMENT...	200,000	150,000
RIO GRANDE CONVEYANCE CANAL/PIPELINE.....	---	150,000
UTAH		
ASHLEY/BRUSH CREEKS OPTIMIZATION STUDY.....	75,000	75,000
WEBER BASIN WATER QUALITY/WATERSHED.....	100,000	100,000
WASHINGTON		
WASHINGTON RIVER BASIN PLANNING.....	75,000	75,000
VARIOUS		
BEAR RIVER BASIN WATER QUALITY/WATERSHED.....	100,000	100,000
COLORADO RIVER WATER QUALITY IMPROVEMENT PROGRAM.....	375,000	375,000
DROUGHT INVESTIGATIONS.....	40,000	40,000
ENVIRONMENTAL & INTERAGENCY COORDINATION ACTIVITIES...	1,877,000	1,000,000
FISH & WILDLIFE HABITAT PRESERVATION AND ENHANCEMENT..	50,000	---
GENERAL PLANNING STUDIES.....	2,435,000	1,635,000
INVESTIGATION OF EXISTING PROJECTS.....	540,000	432,000
LOWER COLORADO INDIAN WATER MANAGEMENT STUDY.....	75,000	---
MINOR WORK ON COMPLETED INVESTIGATIONS.....	150,000	120,000
MISSOURI RIVER BASIN TRIBES IN NORTH AND SOUTH DAKOTA.	250,000	250,000
PALLID STURGEON RECOVERY DECISION SUPPORT SYSTEM.....	140,000	140,000
TECHNICAL ASSISTANCE TO STATES.....	1,665,000	1,332,000
UPPER SNAKE RIVER BASIN STORAGE OPTIMIZATION.....	200,000	200,000
UPPER SNAKE RIVER BASIN SALMON MIGRATION WATER STUDY..	250,000	250,000
TOTAL, GENERAL INVESTIGATIONS.....	13,602,000	12,684,000
CONSTRUCTION PROGRAM		
CONSTRUCTION AND REHABILITATION AND COLORADO RIVER BASIN SALINITY CONTROL PROJECTS		
CALIFORNIA		
CENTRAL VALLEY PROJECT:		
AUBURN-FOLSOM SOUTH UNIT.....	1,357,000	1,357,000
DELTA DIVISION.....	6,500,000	6,580,000
MISCELLANEOUS PROJECT PROGRAMS.....	11,869,000	12,069,000
SACRAMENTO RIVER DIVISION.....	875,000	6,540,000
SAN FELIPE DIVISION.....	664,000	664,000
SAN LUIS UNIT.....	800,000	800,000
SHASTA DIVISION.....	749,000	19,749,000
TRINITY RIVER RESTORATION PROGRAM.....	5,067,000	5,067,000
LOS ANGELES AREA WATER RECLAMATION/REUSE PROJECT.....	9,300,000	8,300,000
BRACKISH WATER RECLAMATION DEMONSTRATION FACILITY.....	---	1,000,000
SAN DIEGO AREA WATER RECLAMATION PROGRAM.....	2,340,000	2,340,000
SAN GABRIEL BASIN PROJECT.....	9,750,000	8,000,000
SAN JOSE WATER RECLAMATION/REUSE-TITLE 16.....	1,750,000	1,750,000
COLORADO		
GRAND VALLEY UNIT, TITLE II, CRBSCP.....	5,799,000	5,799,000
LOWER GUNNISON BASIN UNIT, TITLE II, CRBSCP.....	1,231,000	1,231,000
PARADOX VALLEY UNIT, TITLE II, CRBSCP.....	300,000	300,000
IDAHO		
MINIDOKA NORTH SIDE DRAINWATER PROJECT.....	60,000	60,000
NORTH DAKOTA		
GARRISON DIVERSION UNIT, P-SMBP.....	24,900,000	24,900,000
OREGON		
UMATILLA BASIN PROJECT.....	6,700,000	6,875,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
SOUTH DAKOTA		
BELLE FOURCHE UNIT, P-SMBP	3,802,000	3,802,000
MID-DAKOTA PROJECT	2,500,000	11,500,000
MNI WICONI PROJECT	10,500,000	22,300,000
TEXAS		
NORTHWEST WASTEWATER REUSE PROJECT	---	1,500,000
WASHINGTON		
COLUMBIA BASIN PROJECT	1,698,000	2,573,000
YAKIMA BASIN ENHANCEMENT PROJECT	---	1,500,000
VARIOUS		
COLUMBIA/SNAKE RIVER SALMON RECOVERY	15,000,000	13,500,000
NATIONAL FISH AND WILDLIFE FOUNDATION	3,255,000	1,500,000
ENDANGERED SPECIES RECOVERY IMPLEMENTATION PROG., UC R	6,373,000	6,373,000
ENDANGERED SPECIES CONSERVATION/RECOVERY PROJ., LC REG	2,170,000	2,170,000
ENDANGERED SPECIES RECOVERY IMPLEMENTATION PROG., PN R	170,000	170,000
INDIAN WATER RIGHTS SETTLEMENT	4,357,000	4,357,000
TITLE I DIVISION, CRBSCP	2,300,000	2,300,000
TITLE II, NEW FORMAT, CRBSCP	6,000,000	500,000
WATER CONSERVATION CHALLENGE PARTNERSHIPS	9,000,000	---
SUBTOTAL, REGULAR CONSTRUCTION	157,136,000	187,426,000
DRAINAGE AND MINOR CONSTRUCTION:		
BOISE PROJECT, ID	510,000	510,000
BRANTLEY PROJECT, NM	650,000	650,000
COLORADO RIVER FRONT WORK AND LEVEE SYSTEM, AZ - CA	1,800,000	1,800,000
KLAMATH PROJECT, OR - CA	2,818,000	2,818,000
LAKE MEREDITH SALINITY CONTROL, NM - TX	100,000	570,000
LEADVILLE/ARKANSAS RIVER RECOVERY, CO	600,000	600,000
MC GEE CREEK PROJECT, OK	125,000	125,000
MOUNTAIN PARK PROJECT, OK	700,000	700,000
NEWLANDS PROJECT, CA - NV	7,250,000	7,250,000
NUECES RIVER PROJECT, TX	105,000	105,000
PALMETTO BEND PROJECT, TX	25,000	25,000
PICK-SLOAN MISSOURI BASIN PROGRAM:		
NORTH LOUP DIVISION, P-SMBP, NE	900,000	900,000
OAHE UNIT, P-SMBP, SD	80,000	80,000
RECLAMATION RECREATION MANAGEMENT ACT-TITLE 28, VARI	3,500,000	3,500,000
TRES RIOS WETLANDS DEMONSTRATION, AZ	500,000	500,000
VELARDE COMMUNITY DITCH PROJECT, NM	---	1,500,000
WETLANDS DEVELOPMENT, VARIOUS	2,330,000	5,000,000
YAKIMA FISH PASSAGE/PROTECTIVE FACILITIES, WA	1,210,000	1,210,000
SUBTOTAL, DRAINAGE AND MINOR CONSTRUCTION	23,203,000	27,843,000
SAFETY OF DAMS PROGRAM:		
CROOKED RIVER, OCHOCO DAM, OR	6,000,000	6,000,000
DEPARTMENT OF THE INTERIOR DAM SAFETY PROGRAM	1,270,000	1,270,000
INITIATE SAFETY OF DAMS CORRECTIVE ACTION	38,175,000	35,175,000
SAFETY OF DAMS CORRECTIVE ACTION STUDIES	2,500,000	2,500,000
SALT RIVER PROJECT, BARTLETT DAM, AZ	8,085,000	8,085,000
SALT RIVER PROJECT, HORSESHOE DAM, AZ	1,103,000	1,103,000
SAN CARLOS IRRIGATION - COOLIDGE DAM, AZ	974,000	974,000
UMATILLA PROJECT, COLD SPRINGS DAM, OR	5,250,000	5,250,000
YAKIMA, BUMPING LAKE DAM, WA	1,825,000	1,825,000
SUBTOTAL, SAFETY OF DAMS	65,182,000	62,182,000
REHABILITATION AND BETTERMENT:		
OGDEN RIVER PROJECT, UT	975,000	975,000
SHOSHONE, WY	1,300,000	1,300,000
WEBER BASIN PROJECT, UT	2,474,000	2,474,000
SUBTOTAL, REHABILITATION AND BETTERMENT	4,749,000	4,749,000
SCIENCE AND TECHNOLOGY:		
ENERGY/WATER PRODUCT EFFICIENCY STANDARDS	450,000	---
GROUNDWATER RECHARGE DEMONSTRATION PROGRAM	771,000	1,271,000
IMPROVED RIVER BASIN MANAGEMENT CONTROL	300,000	---
TECHNOLOGY ADVANCEMENT	300,000	300,000
WATERSHED MODELING SYSTEMS INITIATIVE	1,000,000	800,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
WATER TREATMENT TECHNOLOGY	1,700,000	1,360,000
WATER TECHNOLOGY/ENVIRONMENTAL RESEARCH	3,800,000	2,800,000
SUBTOTAL, SCIENCE AND TECHNOLOGY	8,321,000	6,531,000
TOTAL, CONSTRUCTION AND REHABILITATION AND COLORADO RIVER BASIN SALINITY CONTROL PROJECTS	258,591,000	288,731,000
COLORADO RIVER STORAGE PROJECT		
UPPER COLORADO RIVER BASIN FUND AND PARTICIPATING PROJECTS		
COLORADO		
ANIMAS-LA PLATA PROJECT	4,879,000	10,000,000
DOLORES PARTICIPATING PROJECT	3,470,000	3,470,000
UTAH		
CENTRAL UTAH PROJECT, BONNEVILLE UNIT	13,579,000	13,579,000
FISH AND WILDLIFE FACILITIES, AZ, CO, NM, UT, WY	1,920,000	1,920,000
TOTAL, COLORADO RIVER STORAGE PROJECT	23,848,000	28,969,000
COLORADO RIVER BASIN PROJECT		
CENTRAL ARIZONA PROJECT		
ARIZONA		
CENTRAL ARIZONA PROJECT, WATER DEVELOPMENT (LCRBDF)	92,725,000	94,225,000
CENTRAL ARIZONA PROJECT, SAFETY OF DAMS	29,411,000	29,411,000
CENTAL ARIZONA PROJECT, GILA RIVER INDIAN COMMUNITY	---	1,842,000
TOTAL, COLORADO RIVER BASIN PROJECT	122,136,000	125,478,000
ASSOCIATED ITEMS		
UNDISTRIBUTED REDUCTION BASED ON ANTICIPATED DELAYS	-28,632,000	-32,132,000
TOTAL, CONTRUCTION PROGRAM	375,943,000	411,046,000
LOAN PROGRAM		
ARIZONA		
TOHONO O'ODHAM NATION - SCHUK TOAK DISTRICT	3,043,000	3,043,000
CALIFORNIA		
CASTROVILLE IRRIGATION WATER SUPPLY PROJECT	1,500,000	1,500,000
CHINO BASIN DESALINATION PROJECT	1,100,000	1,100,000
EASTERN MUNICIPAL WATER DISTRICT NO. 3	2,200,000	2,200,000
SALINAS VALLEY WATER RECLAMATION FACILITY	1,100,000	1,100,000
TEMESCAL VALLEY PROJECT-ELSINORE VALLEY MUNICIPAL WATE	700,000	700,000
COLORADO		
UTE MOUNTAIN UTE	1,500,000	1,500,000
OREGON		
DOUGLAS COUNTY - MILLTOWN HILL	100,000	100,000
VARIOUS		
LOAN ADMINISTRATION	425,000	425,000
NEW LOAN PROGRAM ACTIVITY	5,000,000	---
TOTAL, LOAN PROGRAM	16,668,000	11,668,000

TITLE III

DEPARTMENT OF ENERGY

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs, and activities of the Department of Energy. Additional items of conference agreements are discussed below.

FEDERAL EMPLOYMENT LEVELS

The Department of Energy has announced a strategic alignment initiative which would reduce the number of Federal employees by 27 percent over five years. The Department has provided a summary of recommended employment levels and proposed reductions by organization for fiscal year 1996. The conferees expect the Department to make these proposed employment reductions in those areas where the conference agreement does not reduce employment levels below those requested by the Department. The Department is to report to the Committees on Appropriations the actual employment levels as of March 1996 compared to the fiscal year 1995 baseline and the Department's proposed employment levels.

SUPPORT SERVICE CONTRACTORS

The conferees are aware of the extensive use of support service contractors by the Department of Energy at headquarters and the field offices. In many instances these contractors are performing inherently governmental functions such as assisting in program management and program execution duties, representing program organizations at meetings inside and outside the Department, preparing briefing materials, newsletters, and budget justifications, and providing daily administrative and clerical support.

There are clearly instances where it is cost-effective to use support service contractors to support Federal programs. This would include functions such as custodial services, guard services, operation of emergency communications centers and mail rooms, and facility and grounds maintenance. In addition to these types of commercial services, there are situations where technical expertise is needed to augment Federal efforts. These technical services would include such tasks as automated data processing systems development for the Department's corporate financial, procurement, and personnel systems, systems review and reliability analyses, and economic and environmental analyses. These tasks are characterized by specific project schedules, milestones, and deliverables.

The conferees have no objection to continuing support service contracts which can be documented to be cost-effective and which provide specific technical expertise not available in the Federal work force at the Department. However, the Department has increasingly used support service contractors to augment the Federal work force for nonspecific functions. This may be done to circumvent Federal employment ceilings or funding constraints or because it is easier to hire an outside contractor than to manage properly the existing Federal work force.

After excluding those support service contracts which are documented to reflect the cost benefits of contracting for the service, and those contracts which provide specific technical expertise tied to a schedule and a deliverable, the conferees expect funding for all other support service contracts to decrease by 50 percent in fiscal year 1996. All other categories of support service contracts should be reduced by 15 percent in accordance with the Department's strategic alignment initiative. The Department is directed to submit semi-annual reports on the use of all support services contracts at headquarters and the field. By organization, appropriation, and program, this report should include the name of the contractor, fiscal year 1996 funding, number of employers, and a brief description of the work performed.

DEPARTMENTAL BUDGET JUSTIFICATIONS

The Department does not budget for Federal employees in a consistent manner throughout the whole organization. Using existing budget justification materials, it is difficult to determine where each Department of energy employee is located and the costs associated with each. To alleviate these discrepancies, in the fiscal year 1997 budget request the Department is directed to include all salaries and related expenses in the program that manages the employee. In addition to salaries and benefits, the personnel cost for each employee should include all related costs such as space rental, utilities, materials and supplies, telecommunications, and building maintenance. The administrative services group will determine the amount of these costs which should be charged to each program organization to ensure consistency in budgeting.

Within each appropriation account, each organization should have one program direction line for all full-time equivalent employees (FTEs), both field and headquarters, and provide object class information for all expenses. No Federal employees are to be funded in program accounts. Any difference between the average cost of the fully loaded FTE between specific programs should be explained in the budget justification.

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

Amendment No. 22: Appropriates $2,727,407,000 for Energy Supply, Research and Development Activities instead of $2,576,700,000 (less $1,000,000) as proposed by the House and $2,793,324,000 as proposed by the Senate, and deletes language proposed by the Senate providing no more than $7,500,000 for termination of the Gas Turbine-Modular Helium Reactor program.

SOLAR AND RENEWABLE ENERGY PROGRAMS

Funding of $2,000,000 for the solar international program is to be allocated to nongovernmental organizations which are active in joint implementation activities to develop specific international energy projects.

Funding of $400,000 is provided to study the feasibility of piping treated effluent from Santa Rosa to the Geysers for injection.

The conferees have provided $55,300,000 for biofuels energy systems. An amount of $27,650,000 is allocated for the categories of biochemical and thermochemical conversion, of which $3,000,000 is for the Federal share of a 50/50 cost-shared biomass ethanol production plant in Gridley, California, and the amount also includes the request for capital equipment. With the remaining funds, the conferees support and fully fund the biomass power projects in Vermont and Hawaii, and have provided from the remainder of available funds $3,940,000 for the regional biomass program.

The conferees have not provided funding for the ocean thermal energy systems program, now technical assistance and other support for the Kotzebue, Alaska, project for a wind energy system.

Within the total funding provided for solar energy, the conferees have included $2,988,000, the same as the budget request, for the renewable energy production incentive (REPI) program. The conferees urge the Department to fully fund both tier 1 and tier 2 projects as outlined in its recently published regulations. REPI program funding shall be available only for so long as the tax credit for electricity produced from certain renewable sources or the energy investment credit for solar and geothermal property (authorized by sections 1914 and 1916 of the Energy Policy Act of 1992, respectively) remain in effect.

Within funds available for hydrogen research, $250,000 shall be made available to an institution where expertise in electrochemical (fuel cells), thermochemical and photochemical reactions for hydrogen production may be synergistically studied and the application to gas storage and alternate vehicle technology may be integrated.

The conferees have provided $1,500,000 for the hydropower program which includes funding to support the cost-shared program to develop an advanced energy-efficient turbine which reduces environmental impacts on fish species.

NUCLEAR ENERGY

The conferees realize that sufficient funding has not been provided to complete all tasks as proposed in the Department's budget request for the advanced light water reactor program. Therefore, the conferees urge the Department to apply funds within the light water reactor program to cost-effectively complete essential activities.

Termination funding of $7,500,000, the same as the budget request, has been provided for the orderly close-out of the gas turbine-modular helium reactor program. An orderly close-out shall include only the summary documentation of existing technical data and information. All design, development, and test programs shall be terminated.

The conference agreement provides $25,000,000 for electrometallurgical research and development in the technology development program for Defense Environmental Restoration and Waste Management. As recommended by the National Academy of Sciences' assessment of the electrometallurgical approach for treating spent nuclear fuel, the conferees expect the Department to develop a plan to support the EBR–II demonstration using this technology. If this is successful, the Department should review the program for application to other types of spent fuel and waste management issues.

No funding for the Soviet-designed reactor safety program is included in the Energy Supply, Research and Development appropriation account. Funding for this activity has been included in the Other Defense Activities appropriation account.

ISOTOPES

The conferees agree to provide a total of $3,000,000—$1,000,000 in fiscal year 1996 in addition to $2,000,000 from funds appropriated for this purpose in fiscal year 1995—to continue development of the National Biomedical Tracer Facility (NBTF). This funding should be used to acquire three site specific conceptual designs from among the strongest submissions received during the project definition study. Additionally, the Department should assess all permanent or interim upgrade NBTF proposals, including any from national laboratories, according to a consistent set of evaluation criteria including the capacity to produce a wide range of isotopes for medical and research purposes; research, technology transfer, education and training capabilities; and overall cost effectiveness considering lifetime costs of the facility as well as public-private partnerships and cost-sharing by state and local partners.

The conferees support using up to $750,000 of available funds within this account for completion of the Hanford medical isotopes business planning and program development project.

ENVIRONMENT, SAFETY AND HEALTH

The Radiation Effects Research Foundation (RERF) is a private foundation co-funded by the governments of the United States and Japan to study the effects of radiation on the survivors of the Hiroshima and Nagasaki bombings. Since 1946, the National Academy of Sciences has provided support and oversight of scientific research on the consequences of the acute radiation exposures suffered by the population of these two cities, pursuant to an international agreement that co-funds activities at a 50–50 cost share, but this work has been threatened by the dramatically declining value of the dollar versus the yen. The conferees direct the Administration to continue to work with the National Academy of Sciences to achieve additional cost savings in this program and with the Japanese government to review areas for cost savings to reflect U.S. budgetary constraints. The appropriate committees should be informed of any funding changes before they become effective.

The conferees are also interested in the assessment of the continuing effectiveness and value of this program that is being conducted by a scientific committee jointly appointed by the U.S. and Japanese governments, and expect the Department to review the continued funding for this activity and report to the appropriate Congressional committees prior to hearings on the fiscal year 1997 budget and upon completion of the international scientific committee's review.

ENERGY RESEARCH

Biological and environmental research

The conferees support the important work conducted at the Inhalation Toxicology Research Institute. The conferees further understand that the Institute is reviewing ways to reduce its operating costs to the Department of Energy and to increase access to its facilities by other Federal and non-Federal entities having research needs. The conferees support these efforts to reduce costs and to meet both Federal and non-Federal needs and requirements.

Any general reductions to this account should be allocated equitably across all program elements without terminating any programs unilaterally.

Fusion

The conferees have provided $244,144,000, an increase of $15,000,000 over the House recommendation, for the fusion energy program. This funding is to support a program in plasma science and fusion technology, and continue United States participation in the engineering design activities phase of the International Thermonuclear Experimental Reactor project to which the United States is committed through fiscal year 1998. The conferees do not agree with the Senate language which recommended transferring computer work, termination, severance and separation costs to other activities within the Department, and transferring the heavy ion fusion program to defense activities.

With little prospect for increased funding for the fusion base program over the next several years, it will be necessary for the program to restructure its strategy, content and near-to-medium-term objectives. The restructured program should emphasize continued development of fusion science, increased attention to concept improvement and alternative approaches to fusion, and development and testing of the low-activation structural materials so important for fusion's attractiveness as an energy source.

The Department of Energy, with participation of the fusion community and the Fusion Energy Advisory Committee, is instructed to prepare a strategic plan to implement such a restructured program, to be completed by December 31, 1995. This plan should assume a constant level of effort in the base program for the next several years; as appropriate, it should be integrated with plans of the international fusion program; and it should address the institutional makeup of a domestic program consistent with the funding assumptions.

The conferees believe that, because of the stringent budget realities facing this Nation, the promise of fusion energy can only be realized through international collaboration. The high cost of fusion development points to the increasing importance of international cooperation as a means of designing, building, and financing major magnetic fusion facilities in the future. Because the United States has committed to such an approach, it is crucial that a restructuring of the fusion program maintain a strong domestic base and not undermine our credibility as a reliable international partner.

Basic energy sciences

The conferees make no recommendation with regard to the siting of the new spallation source project. The Department of Energy shall make that determination in a fair and unbiased manner. The conferees direct the Department of Energy to evaluate opportunities to upgrade existing reactors and spallation sources as cost-effective means of providing neutrons in the near term for the scientific community while the next generation source is developed. This evaluation shall be available prior to the Appropriations Committee's hearings on the Department's fiscal year 1997 budget submission.

For purposes for reprogrammings during fiscal year 1996, funding may be reallocated by the Department among all operating accounts in basic energy sciences other than program direction.

Other energy research activities

The conferees agree that to the extent nonprogram specific general plant projects and general plant equipment are required for the Oak Ridge National Laboratory and the Oak Ridge Institute for Science and Education, they are to be funded within the Basic Energy Science and Biological and Environmental Research programs, respectively.

The conference agreement provides $18,000,000 for the laboratory technology transfer program. Within this funding, up to $1,500,000 is available for severance costs for 17 current employees. The conferees recommend that the Department identify and complete the most promising cooperative research and development agreements during fiscal year 1996.

ENERGY SUPPORT ACTIVITIES

University science and education programs

The conferees have provided $20,000,000 for this portion of the Department's science and education activities. None of the funds in this account may be used for salaries and expenses other than up to $1,100,000 which is available for severance costs for the 27 employees currently managing this program.

In addition to this individual program, the Department of Energy spends will over $100,000,000 throughout all programs to support science and education activities. The conferees continue to support science and education activities funded directly by programs and which have a direct correlation to programmatic needs. The conferees do not agree to fund a separate bureaucracy set up to manage only a small portion of the science and education activities of the Department. In fiscal year 1996, these activities are to be managed by the Office of Energy Research as they were from 1977 to 1993. In that way, this science and education program will be closely coupled with the Department's research programs, and the number of employees needed to support the program will be significantly reduced.

The conference agreement does not contain specific funding directions for science and education activities, but urges the Department to consider the views express in the Senate report. The conferees also encourage the Secretary of Energy to enter into an agreement with a qualified minority women's model institution of excellence to support curriculum development, research, training and other activities related to energy research and environmental restoration and waste management.

ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

(NON–DEFENSE)

The conferees agree with the House report language on the Wayne, New Jersey project.

INDIAN ENERGY RESOURCES

From within available funds for the Energy Supply, Research and Development appropriation account, $8,600,000 is provided for Indian energy resources. The funding should be allocated to provide $6,100,000 for continued preconstruction activities for the Navajo transmission project, and $2,000,000 for the Haida Alaska Native Village Corporation's Reynolds Creek hydroelectric project. The conference agreement includes $500,000 for the Crow Energy Project, instead of $2,000,000 as proposed by the Senate. The Department is encouraged to work through the Western Area Technology Center In Butte, Montana, to provide any and all assistance in making the Crow energy project a success.

Amendment No. 23: Deletes language proposed by the Senate providing that within available funds $56,000,000 may be available to continue operation of the Tokamak Fusion Test Reactor.

Amendment No. 24: Deletes language proposed by the Senate providing that within the amount for Indian Energy Resource projects, $2,000,000 may be made available to fund the Crow energy resources programs.

Amendment No. 25: Deletes language proposed by the House providing $44,772,000 to implement provisions of section 1211 of the Energy Policy Act of 1992.

Amendment No. 26: Deletes language proposed by the Senate allocating additional funds for renewable energy resources and reducing departmental administration funding.

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

The conference agreement adjusts the allocation of funding for implementation of the depleted uranium hexafluoride cylinders and maintenance program. These adjustments will accelerate cleaning and painting of corroded cylinders at the three gaseous diffusion plant sites and construction of a new cylinder storage yard. These activities have been accommodated by reallocating funding provided in the House and Senate recommendations.

GENERAL SCIENCE AND RESEARCH ACTIVITIES

Amendment No. 27: Appropriates $981,000,000 for General Science and Research Activities instead of $991,000,000 as proposed by the House and $971,000,000 as proposed by the Senate.

NUCLEAR WASTE DISPOSAL FUND

Amendment No. 28: Appropriates $151,600,000 as proposed by the Senate instead of $226,600,000 as proposed by the House and deletes language proposed by the Senate that authorizes construction of an interim storage facility for spent nuclear fuel.

The conferees agree on the importance of continuing the existing scientific work at Yucca Mountain to determine the ultimate feasibility and licensability of the permanent repository at that site. The conferees

direct the Department to refocus the repository program on completing the core scientific activities at Yucca Mountain. The Department should complete excavation of the necessary portions of the exploratory tunnel and the scientific tests needed to assess the performance of the repository. It should defer preparation and filing of a license application for the repository with the Nuclear Regulatory Commission until a later date. The Department's goal should be to collect the scientific information needed to determine the suitability of the Yucca Mountain site and to complete a conceptual design for the repository and waste package for later submission to the Nuclear Regulatory Commission.

ATOMIC ENERGY DEFENSE ACTIVITIES

Weapons activities

Amendment No. 29: Appropriates $3,460,314,000 for Weapons Activities instead of $3,273,014,000 as proposed by the House and $3,751,719,000 as proposed by the Senate.

The conference agreement provides $1,078,403,000 for core stockpile stewardship activities which includes and additional $40,000,000 for the accelerated strategic computing initiative (ASCI). The conferees also support the enhanced surveillance and dual revalidation programs.

Funding of $37,400,000, the same as the budget request, is provided for project 96–D–111, the National Ignition Facility. Full funding for all inertial confinement fusion program participants is provided as requested in the Department's budget justification.

The conference agreement provides an increase of $106,000,000 over the House recommendation for stockpile management to provide for enhanced stockpile surveillance, advanced manufacturing, and core stockpile management activities. However, the conferees believe it is premature to initiate long-term capital improvements in advance of the outcome of the stockpile stewardship/management programmatic environmental impact statement process currently underway. The conferees have not provided specific site funding, but support fundamental initiatives in advanced manufacturing, and additional emphasis on advanced computerized manufacturing and dual revalidation techniques.

The conferees have provided $115,000,000 for program direction activities. The conferees support the liquefied gaseous spill test facility and the facility's modeling support center under the Department's emergency management program funded in the Other Defense Activities appropriation account.

The conference agreement includes the use of $209,744,000 in prior year balances, an increase of $123,400,000 over the budget request which included the use of $86,344,000.

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

Amendment No. 30: Appropriates $5,557,532,000 for Defense Environmental Restoration and Waste Management instead of $5,265,478,000 a proposed by the House and $5,989,750,000 as proposed by the Senate.

The tables accompanying this conference agreement reallocate funding for several construction projects as requested by the Department to reflect the most recent programmatic and site assumptions for fiscal year 1996 activities.

Budget reductions should be taken in those areas which will have the least impact on ongoing cleanup activities. The conferees seek to the extent possible to protect funding necessary to meet the cleanup milestones established in compliance agreements with other Federal agencies, states, and local agencies, by directing the cuts against support service contracts, excessive Headquarters and field oversight, large uncosted balances, and by reducing other Department administrative expenses such as travel.

The conferees direct that, to the maximum extent practicable, funding reductions be taken against Headquarters personnel and activities. Headquarters employees should be reviewing and auditing field and contractor activities and holding the contractors responsible for meeting performance goals and milestones, not micromanaging each step of the process from Headquarters through the financial plan process and activity data sheets. A critical review of Headquarters' approval processes for various activities would yield a wealth of non-value added administrative steps which serve primarily to delay, prolong, and diffuse responsibility for direct and timely cleanup activities. Thus, the conferees expect funding for Headquarters' organizations to be severely curtailed during execution of the fiscal year 1996 program.

The conferees also believe that legislative reforms in the Department's cleanup program are long overdue, and will work with the legislative committees to ensure that significant changes are made in the cleanup program.

The Department has indicated that the environmental management organization plans to hire an additional 315 Federal employees in fiscal year 1996. The conferees do not agree with this strategy. Every witness outside of the Department who testified on this program stated that one of the management problems was too many employees. While the conferees are sympathetic that the program may not have the correct mix of technical skills in the current work force, they are not amenable to the concept of hiring 10% more employees for this program in fiscal year 1996. Thus, the Department is directed not to exceed the current Federal employee ceiling and hire new employees only as current employees leave.

The conference agreement provides $1,635,973,000 for environmental restoration. An additional $60,000,000 has been provided to accelerate cleanup activities and reduce current landlord costs and outyear funding requirements. The conferees strongly support efforts at sites such as Fernald, Ohio, and Rocky Flats, Colorado, which have developed detailed plans to expedite cleanup actions and reduce costs to the taxpayer.

The conferees are in agreement with the Senate recommendation to accelerate certain activities at the Idaho National Engineering Laboratory. Within the waste management account, funding is provided for preconstruction activities such as design and engineering work on additional capacity for dry storage of spent nuclear fuel and an advanced mixed waste treatment facility. The conference agreement also provides funding of $42,000,000 for project 96–D–406, the nuclear fuel canister storage building and stabilization facility in Richland, Washington.

The conferees agree with the concern expressed by the Senate that the Department is not providing sufficient attention and resources to longer term basic science research which needs to be done to ultimately reduce cleanup costs. The current technology development program continues to favor near-term applied research efforts while failing to utilize the existing basic research infrastructure within the Department and the Office of Energy Research. As a result of this, the conferees direct that at least $50,000,000 of the technology development funding provided to the environmental management program in fiscal year 1996 be managed by the Office of Energy Research and used to develop a program that takes advantage of laboratory and university expertise. This funding is to be used to stimulate the required basic research, development and demonstration efforts to seek new and innovative cleanup methods to replace current conventional approaches which are often costly and ineffective.

In the technology development program, $25,000,000 has been provided for electrometallurgical research and development. The conferees have also included sufficient funding for the Department to prepare a report on the potential of using pentaborane for environmental remediation or other uses, the estimated costs of the effort, and potential advantages and disadvantages of the proposal. The Department's activities in this area are to be confined to the preparation of this report.

The conferees expect the Department to direct more resources toward activities surrounding storage, treatment, and disposal of spent nuclear fuel currently stored at Department of Energy sites.

The conferees fully support the mission of the Hazardous Materials Training Center at the Hanford site in Richland, Washington, and direct the Department to adequately fund the requested operating budget from the compliance and coordination account.

The conferees understand the need for economic development funding to support local communities adversely impacted by Department of Energy programs and to transition communities which have lost jobs due to programmatic changes at facilities, but are concerned that cleanup funds are being used for economic development activities. With that understanding, the conferees have provided $82,500,000 in the worker and community transition program under other Defense Activities which was established and authorized to fund such activities, and expect all economic development activities to be funded from that program.

The conference agreement provides not more than $12,000,000 for public accountability activities in the analysis, education and risk management program. The Department is expected to review requests for this funding to reduce duplication of efforts by various groups and excessive costs. None of these funds may be used for reimbursement of travel expenses of individuals traveling to Washington, DC.

The conference agreement includes funding to maintain State health studies in South Carolina, Tennessee, and Colorado at the $7,300,000 level in fiscal year 1996. These funds are in addition to the $9,950,000 for dose reconstruction or other health studies including those conducted under a Memorandum of Understanding between the Department of Health and Human Services and DOE's Office of Environment, Safety and Health. Additionally, the conferees direct that all of these studies shall continue to be administered by the Office of Environment, Safety and Health.

The conference agreement supports the Hanford environmental dose reconstruction project and health information network at the budget request level, and continues the Hanford thyroid study at $1,700,000, the same as the fiscal year 1995 level.

The conferees are aware that the Draft Environmental Impact Statement prepared by the Department of Energy on the Proposed Nuclear Weapons Nonproliferation Policy Concerning Foreign Research Spent Nuclear Fuel includes as an option the importation of foreign spent nuclear fuel through civilian ports. The conferees are concerned that some of these ports may not have the security or the emergency management capabilities needed to safely handle weapons grade or highly irradiated nuclear material and that the designation of some of these ports as a port of entry would necessitate that the spent nuclear fuel be transported through

highly populated metropolitan areas. The Department of Energy should take into consideration a port's willingness to be designated as a port of entry for the foreign spent nuclear fuel as one of the determining factors in the final selection process and to the maximum extent feasible, the conferees direct the Department of Energy to utilize military ports or civilian ports which have expressed an interest in receiving the spent fuel.

The conference agreement includes the use of $667,240,000 of prior year balances, an increase of $390,298,000 over the budget request, which included the use of $276,942,000.

OTHER DEFENSE ACTIVITIES

Amendment No. 31: Appropriates $1,373,212,000 for Other Defense Activities instead of $1,323,841,000 as proposed by the House and $1,439,112,000 as proposed by the Senate.

The conferees have provided $30,000,000 for the Soviet-designed reactor safety program, as proposed by the Senate, and $10,000,000 for the Industrial Partnering Program. The conference agreement also provides $3,600,000 to continue the Department's role in the North Korean spent fuel project.

NUCLEAR SAFEGUARDS AND SECURITY

The conferees are deeply concerned about the recent direction in Executive Order 12958 to ''automatically declassify'' and publicly release documents containing National Security Information within five years whether or not the records have been reviewed. Automatic declassification creates a substantial and unnecessary risk that information, including information regarding U.S. nuclear weapons, will be inadvertently disclosed to potential proliferators. Clearly such disclosure fundamentally undermines U.S. nonproliferation efforts, and could effect grave damage to U.S. national security. The conferees believe that the automatic declassification of national security records that could contain Restricted Data constitutes a violation of the legal protections for Restricted Data mandated by the Atomic Energy Act of 1954, as amended. Although the conferees recognize that the Order provides an exemption from automatic declassification for Restricted Data, the conferees do not see how such an exemption can be effectively implemented since the National Security Information records slated for automatic release have a high probability of containing some Restricted Data intermixed within the National Security Information. Thus, short of a Department of Energy review of all National Security Information records believed by the Department to have a probability of containing Restricted Data, there is no way to ensure the protection of Restricted Data materials consistent with the provisions of the Atomic Energy Act.

Given the potential impact to national security through the inappropriate release of Restricted Data, the conferees believe the rush to automatically declassify sensitive documents is not in the national interest. Therefore, the conferees strongly urge the President to review and revise Executive Order 12958 regarding Classified National Security Information, and exempt from automatic declassification all National Security Information files, including files of other agencies, earmarked by the Department of Energy as potentially containing Restricted Data.

FUNDING ADJUSTMENTS

The conferees direct the use of $70,000,000 of prior year balances from this account, an increase of $57,000,000 from the budget request of $13,000,000. The increase is to be taken against unobligated and uncosted balances remaining in the Materials Support program at the end of fiscal year 1995.

Amendment No. 32: Deletes language proposed by the Senate providing $4,952,000 for project 96–D–463, electrical and utility systems upgrade at the Idaho Chemical Processing Plant in Idaho. Funding for this project has been included in the Defense Environmental Restoration and Waste Management appropriation account.

DEFENSE NUCLEAR WASTE DISPOSAL

Amendment No. 33: Appropriates $248,400,000 as proposed by the Senate instead of $198,400,000 as proposed by the House.

Since passage of the Nuclear Waste Policy Act of 1982, as amended, the nuclear waste fund has incurred costs for activities related to disposal of high-level waste generated from the atomic energy defense activities of the Department of Energy. At the end of fiscal year 1994, the balance owed by the Federal Government to the nuclear waste fund was $664,000,000 (including principal and interest). Through fiscal year 1995, a total of $361,930,000 has been paid to the nuclear waste fund through the Defense Nuclear Waste Disposal appropriation account.

During fiscal year 1995, the defense contribution to the nuclear waste fund was reestimated to the current amount of $660,000,000. The recommendation of the conferees is to provide $248,400,000 in fiscal year 1996 which will reduce the deficit to $538,000,000 at the end of the fiscal year.

Amendment No. 34: Inserts language providing that $85,000,000 shall be available only for an interim storage facility and only upon the enactment of statutory authority instead of language proposed by the Senate clarifying the use of the funds appropriated in the Defense Nuclear Waste Disposal appropriation account.

DEPARTMENTAL ADMINISTRATION

Amendment No. 35: Appropriates $366,697,000 for Departmental Administration instead of $362,250,000 as proposed by the House and $377,126,000 as proposed by the Senate.

Amendment No. 36: Applies revenues of $122,306,000 for use in the Departmental Administration account as proposed by the House instead of $137,306,000 as proposed by the Senate.

Amendment No. 37: Provides a net appropriation of $244,391,000 for a final year estimate of Departmental Administration expenditures instead of $239,944,000 as proposed by the House and $239,820,000 as proposed by the Senate.

While the conferees realize that this funding level for the Departmental Administration account will cause reductions in existing personnel at the Department of Energy, it should be noted that the Secretary of Energy has initiated a strategic alignment process which will also lead to downsizing of the Department by 27 percent over the next five years. The conference agreement assumes a 15-percent reduction in the number of employees during fiscal year 1996 from the fiscal year 1995 baseline. To the extent possible the additional reductions should be targeted to correspond with reductions in other programmatic areas in this bill. Solar and renewables, fusion, nuclear energy, technology transfer, and science and education programs are a few of the areas funded below fiscal year 1995. Support and administrative workload and staff focused on these areas should see a corresponding reduction as should offices for activities such as quality management and employee and contractor protection which have grown significantly in the last two years.

Reduced funding for this account was first proposed by the House of Representatives in June of this year, but the Department made no effort to prepare for the possibility that actual funding reductions would be implemented on October 1, 1995. Thus, the impact of these reductions exceeds that which may have occurred had the Department taken them seriously several months ago. Another example of this was the rescission of $20,000,000 of fiscal year 1995 funding which the Department chose to allocate solely to contractual services rather than personnel or programmatic areas. This was ultimately short-sighted and has amplified the impact of the fiscal year 1996 reduction.

SECRETARIAL TRAVEL

In response to concerns about the breadth and scope of Secretarial travel, the conferees issue directions and impose limitations on appropriated funds as follows:

1. Beginning in fiscal year 1997, the Department is instructed to provide sufficient detail in its budget justifications for the Office of the Secretary to provide for identification of resources budgeted for secretarial travel.

2. Costs to support travel of the Secretary, any special assistants funded through the Office of the Secretary, and any security detail accompanying the Secretary are to be absorbed within the line item for the Office of the Secretary.

3. The Department is instructed to notify the House and Senate Committees on Appropriations of any internal reprogrammings which are executed to directly or indirectly support departmental travel, regardless of the amount.

4. No funds provided by this Act may be used to host or subsidize the travel of any non-Federal participants in secretarial missions.

5. The Department is instructed to provide semi-annual reports on secretarial travel to the House and Senate Committees on Appropriations. In addition to providing a full financial accounting of trips, these reports should identify: travel dates and destinations, all persons accompanying or advancing the Secretary, and the purpose and results of each trip.

OFFICE OF THE INSPECTOR GENERAL

Amendment No. 38: Appropriates $25,000,000 for the Office of the Department of Energy Inspector General as proposed by the Senate instead of $26,000,000 as proposed by the House. From within available funds, the Office of Contractor Employee Protection is to be funded in this account.

POWER MARKETING ADMINISTRATION

BONNEVILLE POWER ADMINISTRATION

Recent actions by the Bonneville Power Administration have led to concerns that the Bonneville Power Administration may not make its Treasury payment in fiscal year 1996. The conferees cannot state more strongly that failure by Bonneville to make the full annual payment to Treasury will seriously jeopardize its credibility with Congress and will lead to more involvement by Congress in the management and decision-making processes of the agency.

The conferees are also concerned that Bonneville's much touted cost cutting measures are more words than action. For example, Bonneville has indicated its intent to downsize, but plans to reduce its Federal work force by little more than eight percent over three years. That is less that annual attrition rates, and less that the Department of Energy has proposed for other program organizations.

FEDERAL ENERGY REGULATORY COMMISSION

Amendment No. 39: Appropriates $131,290,000 as proposed by the Senate instead of $132,290,000 as proposed by the House.

The conference agreement provides $131,290,000 for the Federal Energy Regulatory Commission. Revenues are established at a rate equal to the amount provided for

program activities, resulting in a net appropriation of zero.

The conferees recognize that Commission workload with respect to the regulation of natural gas and oil is declining as those industries become more competitive and, therefore, concurs with the House and Senate Committees' recommendations to reduce staff in the natural gas and oil pipelines program. A 20-percent reduction over the next two years is recommended.

The conferees recognize the value in maintaining the current staffing level for the electric power program. This is necessary to respond to a significant increase in workload due to the Commission's efforts to establish a competitive wholesale bulk power market for electricity similar to what has been accomplished in the natural gas area.

To mitigate the impact of the recommended funding reduction, the conferees encourage the Commission to employ additional authority from prior years' unexpended balances, as needed.

The conferees direct the Commission to not approve the transfer of electric generating facilities at Scott Dam at Lake Pillsbury in Lake County, California, or Cape Horn Dam in Mendocino County, California, unless the Commission determines that such transfer will not adversely affect any existing water rights and will not substantially change flow levels in the Russian and Eel Rivers.

Amendment No. 40: Applies revenues of $131,290,000 as proposed by the Senate instead of $132,290,000 as proposed by the House.

Department of Energy (in thousands)

	Budget Estimate	Conference
ENERGY SUPPLY, RESEARCH AND DEVELOPMENT		
SOLAR AND RENEWABLE ENERGY		
Solar energy		
Solar building technology research	4,657	2,000
Photovoltaic energy systems	88,129	65,000
Solar thermal energy systems	33,943	25,000
Biofuels energy systems	80,380	55,300
Wind energy systems	49,820	32,500
International solar energy program	29,154	4,000
Solar technology transfer	17,758	4,300
National renewable energy laboratory	380	500
Construction		
General plant projects	120	---
96-E-100 FTLB renovation and expansion, Golden, CO	5,500	1,500
Subtotal, Construction	5,620	1,500
Subtotal, National renewable energy laboratory	6,000	2,000
Resource assessment	4,665	2,000
Solar program support	7,345	---
Program direction	9,460	---
Subtotal, Solar Energy	331,311	192,100
Review of uncosted balances	-4,888	-4,888
Total, Solar Energy	326,423	187,212
Geothermal		
Geothermal technology development	36,130	30,447
Program direction	1,000	---
Capital equipment	397	---
Review of uncosted balances	-555	-555
Total, Geothermal	36,972	29,892
Hydrogen research	7,334	14,500
Hydropower		
Small scale hydropower development	904	1,500
Program direction	90	---
Review of uncosted balances	-14	---
Total, Hydropower	980	1,500
Electric energy systems and storage		
Electric energy systems		
Electric field effects research	9,924	9,924
Reliability research	6,153	---
System and materials research	24,712	19,000
Program direction	850	---
Review of uncosted balances	-615	-615
Subtotal, Electric energy systems	41,024	28,309
Energy storage systems		
Battery storage	5,656	2,000
Program direction	350	---
Review of uncosted balances	-88	---
Subtotal, Energy storage systems	5,918	2,000
Total, Electric energy systems and storage	46,942	30,309
Policy and management	4,746	11,800
TOTAL, SOLAR AND RENEWABLE ENERGY	423,397	275,213

Department of Energy (in thousands)

	Budget Estimate	Conference
NUCLEAR ENERGY		
Nuclear energy R&D		
Light water reactor	49,339	40,000
Advanced radioisotope power system	48,512	48,512
Nuclear technology R&D	37,210	---
Program direction	12,093	8,000
Policy and management	9,841	5,000
Test reactor area hot cells	1,400	---
Oak Ridge landlord	15,380	14,400
Construction		
GPN-103 General plant projects	3,255	---
Subtotal, Oak Ridge landlord	18,635	14,400
Test reactor area landlord	1,370	2,000
Construction		
GP-N-102 General plant projects, Idaho National Engineering Laboratory, ID	730	---
95-E-201 Test reactor area fire and life safety improvements, Idaho National Engineering Laboratory, ID	1,900	1,900
Subtotal, Construction	2,630	1,900
Subtotal, Test reactor area landlord	4,000	3,900
Advanced test reactor fusion irradiation	2,303	2,303
University reactor fuel assistance and support	6,130	3,500
Total, Nuclear energy R&D	189,463	125,615
Termination costs	78,800	79,000
Construction		
GPN-102 General plant projects	1,000	---
95-E-207 Modifications to reactors, experimental breeder reactor - II sodium processing facility Argonne National Laboratory-West, ID	1,700	1,700
Subtotal, Construction	2,700	1,700
Total, Termination costs	81,500	80,700
Isotope support	25,303	24,658
Soviet designed reactor safety	78,543	---
Russian replacement power initiative	5,000	---
TOTAL, NUCLEAR ENERGY	379,809	230,973
CIVILIAN WASTE RESEARCH AND DEVELOPMENT		
Spent fuel storage R&D	586	---
Program direction	110	---
TOTAL, CIVILIAN WASTE RESEARCH AND DEVELOPMENT	696	---
ENVIRONMENT, SAFETY AND HEALTH		
Environment, safety and health	147,443	114,933
Nuclear safety policy	17,180	13,500
TOTAL, ENVIRONMENT, SAFETY AND HEALTH	164,623	128,433

Department of Energy (in thousands)

	Budget Estimate	Conference
ENERGY RESEARCH		
Biological and environmental research		
Biological and environmental research R&D	354,546	349,891
Construction		
GP-E-120 General plant projects	4,450	---
94-E-337 Advanced light source structural biology support facility, LBL	2,600	2,600
94-E-338 Structural biology center, ANL	4,295	4,295
94-E-339 Human genome lab, LBL	5,700	5,700
91-EM-100 Environmental & molecular sciences laboratory, PNL, Richland, WA	50,000	50,000
Subtotal, Construction	67,045	62,595
Subtotal, Biological & environ. research R&D	421,591	412,486
BER program direction	7,060	7,000
Total, Biological and environmental research	428,651	419,486
Fusion energy	309,187	244,144
Construction		
GPE-900 General plant projects, var. locations	1,000	---
96-E-310 Elise project	3,200	---
94-E-200 Tokamak physics experiment, Princeton plasma physics laboratory	49,900	---
Subtotal, Construction	54,100	---
Total, Fusion energy	363,287	244,144
Basic energy sciences		
Materials sciences	345,606	367,400
Chemical sciences	180,161	198,400
Applied mathematical sciences	107,852	116,500
Engineering and geosciences	39,648	41,700
Advanced energy projects	11,915	12,300
Energy biosciences	29,307	30,200
Program direction	9,495	9,500
Capital equipment	56,973	---
Construction		
GPE-400 General plant projects	6,314	---
96-E-305 Accelerator and reactor improvements and modifications, various locations	12,883	10,475
89-R-402 6-7 GeV syn. radiation source, ANL	3,186	3,186
96-E-300 Combustion research facility, Phase II, SNL/L	2,000	2,000
Subtotal, Construction	24,383	15,661
Total, Basic energy sciences	805,340	791,661
Other energy research		
Energy research analyses	3,463	3,463
Laboratory technology transfer	58,776	18,000
Advisory and oversight	8,720	6,200
Policy and management	2,180	2,200

Department of Energy (in thousands)

	Budget Estimate	Conference
Multiprogram energy labs - facility support		
Multiprogram general purpose facilities	6,382	---
Construction		
GPE-801 General plant projects	8,740	---
95-E-301 Central heating plant rehabilitation, Phase I (ANL)	2,500	2,500
95-E-302 Applied science center, phase I (BNL)	3,270	3,270
95-E-303 Electrical safety rehab (PNL)	1,500	1,500
95-E-310 Multiprogram laboratory rehabilitation, phase I (PNL)	2,740	2,740
94-E-351 Fuel storage and transfer facility upgrade (BNL)	440	440
94-E-363 Roofing improvements (ORNL)	2,038	2,038
Subtotal, Construction	21,228	12,488
Subtotal, Multiprogram gen. purpose facilities	27,610	12,488
Environment, safety and health	8,657	6,656
Construction		
96-E-330 Building electrical service upgrade Phase I, Argonne National Laboratory Argonne, Illinois	1,200	---
96-E-331 Sanitary sewer restoration, Phase I, Lawrence Berkeley Laboratory, Berkeley, CA	2,400	---
96-E-332 Building 801, renovations Brookhaven National Laboratory, Upton, New York	800	---
96-E-333 Multiprogram energy laboratories upgrades, various locations	---	4,400
95-E-307 Fire Safety imp. III (ANL)	1,000	1,000
95-E-308 Sanitary system mods. II (BNL)	1,540	1,540
95-E-309 Loss prevention upgrades (BNL)	2,480	2,480
93-E-320 Fire and safety improvements, phase II (ANL)	2,411	2,411
93-E-323 Fire and safety systems upgrade phase I (LBL)	1,130	1,130
93-E-324 Hazardous materials safeguards, phase I (LBL)	1,288	1,288
Subtotal, Construction	14,249	14,249
Subtotal, Environment, safety and health	22,906	20,905
Inactive and surplus facilities	500	---
Subtotal, Multiprogram energy labs - fac. suppor	51,016	33,393
Total, Other energy research	124,155	63,256
TOTAL, ENERGY RESEARCH	1,721,433	1,518,547

Department of Energy (in thousands)

	Budget Estimate	Conference
ENERGY SUPPORT ACTIVITIES		
University and science education programs		
Laboratory cooperative science centers	29,576	13,000
University programs	17,377	7,000
University research instrumentation	5,647	---
Program direction	2,359	---
Total, University and science education programs	54,959	20,000
Technical information management program	14,220	11,000
Construction	1,500	1,000
Total, Technical information management program	15,720	12,000
Technology partnership	3,139	---
In-house energy management	15,664	---
Construction		
IHE - 500 Modifications for energy mgmt	13,125	---
Total, In-house energy management	28,789	---
TOTAL, ENERGY SUPPORT ACTIVITIES	102,607	32,000
ENVIRONMENTAL RESTORATION & WASTE MGMT. (NON-DEFENSE)		
Corrective activities	1,065	---
Construction		
92-E-601 Melton Valley liquid low level waste collection and transfer system upgrade, ORNL	339	339
88-R-830 Liquid low level waste collection and transfer system upgrade, ORNL	4,000	4,000
Subtotal, Construction	4,339	4,339
Total, Corrective activities	5,404	4,339
Environmental restoration	411,532	366,400
Waste management	194,907	171,896
Construction		
GP-E-600 General plant projects	2,212	---
94-E-602 Bethel Valley federal facility agreement upgrades, ORNL	300	300
93-E-900 Long-term storage of TMI-2 fuel, INEL	4,048	4,048
91-E-600 Rehabilitation of waste management building 306, ANL	787	787
88-R-812 Hazardous waste handling facility, LBL	671	671
Subtotal, Construction	8,018	5,806
Total, Waste management	202,925	177,702
Nuclear materials and facilities stabilization	82,395	73,100
TOTAL, ENVIRONMENTAL RESTORATION AND WASTE MGMT	702,256	621,541
Subtotal, Energy supply, research and development	3,494,821	2,806,707

Department of Energy (in thousands)

	Budget Estimate	Conference
Use of prior year balances	-79,300	-79,300
General reduction, ESR&D	-10,000	---
Galvin task force reductions	-50,000	---
TOTAL, ENERGY SUPPLY, RESEARCH AND DEVELOPMENT	3,355,521	2,727,407
URANIUM SUPPLY AND ENRICHMENT ACTIVITIES		
Uranium program activities	91,944	83,500
Construction		
96-U-200 UF6 cylinders refurbishment facility, Paducah, Kentucky gaseous diffusion plants	5,800	---
96-U-201 depleted UF6 cylinder storage yards, Paducah, Kentucky gaseous diffusion plant	---	3,000
93-U-200 UF6 cylinders and storage yards, Paducah, KY and Portsmouth, OH gaseous diffusion plants	3,400	3,400
Subtotal, Construction	9,200	6,400
Subtotal, Uranium supply & enrichment activities	101,144	89,900
Revenues - Sales	-34,903	-34,903
Use of prior year balances	-25,703	-25,703
TOTAL, URANIUM SUPPLY AND ENRICHMENT ACTIVITIES	40,538	29,294
URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND		
Decontamination and Decommissioning Fund	288,807	278,807
GENERAL SCIENCE AND RESEARCH		
High energy physics		
Physics research	146,050	141,000
Facility operations	337,352	353,077
Construction		
GP-E-103 General plant projects, various locations	13,845	---
96-G-301 Accelerator improvement projects, various locations	9,800	---
94-G-304 B-Factory, SLAC	52,000	52,000
92-G-302 Fermilab main injector, Fermilab	52,000	52,000
Subtotal, Construction	127,645	104,000
Subtotal, Facility operations	464,997	457,077
High energy technology	66,864	68,923
Other capital equipment	3,925	---
Total, High energy physics	681,836	667,000
Nuclear physics	237,773	236,925
Construction		
GP-E-300 General plant projects, various locations	4,785	---

Department of Energy (in thousands)

	Budget Estimate	Conference
96-G-302 Accelerator improvements and modifications, various locations	4,975	2,575
91-G-300 Relativistic heavy ion collider, BNL	70,000	65,000
Subtotal, Construction	79,760	67,575
Other capital equipment	2,000	---
Total, Nuclear physics	319,533	304,500
General science program direction	10,330	9,500
TOTAL, GENERAL SCIENCE AND RESEARCH	1,011,699	981,000
ATOMIC ENERGY DEFENSE ACTIVITIES		
WEAPONS ACTIVITIES		
Stockpile stewardship		
Core stockpile stewardship	994,208	1,078,403
Construction		
GPD-101 General plant projects, various locations	12,500	---
96-D-102 Stockpile stewardship facilities revitalization, Phase VI, various locations	2,520	2,520
96-D-103 ATLAS, Los Alamos National laboratory	8,400	8,400
96-D-104 Process and environmental technology laboratory, SNL	1,800	1,800
96-D-105 Contained firing facility addition, LLNL	6,600	6,600
95-D-102 Chemistry and metallurgy research (CMR) upgrades project, LANL	9,940	9,940
94-D-102 Nuclear Weapons Research, development and testing facilities revitalization, Phase V, various locations	12,200	12,200
93-D-102 Nevada support facility, NV	15,650	15,650
90-D-102 Nuclear Weapons Research, Development and testing facilities revitalization, Phase III, various locations	6,200	6,200
88-D-106 Nuclear weapons research, development and testing facilities revitalization, Phase II, various locations	17,995	17,995
Subtotal, Construction	93,805	81,305
Subtotal, Core stockpile stewardship	1,088,013	1,159,708
Inertial fusion	203,267	203,267
Construction		
96-D-111 National ignition facility, TBD	37,400	37,400
Subtotal, Inertial fusion	240,667	240,667
Technology transfer/education		
Technology transfer	229,405	150,000
Education	20,000	10,000
Subtotal, Technology transfer/education	249,405	160,000
Marshall Island/Dose reconstruction	6,800	6,800
Total, Stockpile stewardship	1,584,885	1,567,175

Department of Energy (in thousands)

	Budget Estimate	Conference
Stockpile management	1,769,090	1,911,458
Construction		
Stockpile support facilities		
GPD-121 General plant projects, various loc.	10,000	---
Production base		
88-D-122 Facilities capability assurance program (FCAP), various locations	8,660	8,660
96-D-126 Tritium loading line modifications, Savannah River Site, SC	---	12,200
Subtotal, Production base	8,660	20,860
Environmental, safety and health		
96-D-122 Sewage treatment quality upgrade (STQU) Pantex plant	600	600
96-D-123 Retrofit HVAC and chillers, for Ozone protection Y-12 plant	3,100	3,100
95-D-122 Sanitary sewer upgrade, Y-12 plant	6,300	6,300
94-D-124 Hydrogen fluoride supply system, Y-12 plant	8,700	8,700
94-D-125 Upgrade life safety, Kansas City plant	5,500	5,500
94-D-127 Emergency notification system, Pantex plant	2,000	2,000
94-D-128 Environmental safety and health analytical laboratory, Pantex plant	4,000	4,000
93-D-122 Life safety upgrades, Y-12 plant	7,200	7,200
Subtotal, Environmental, safety and health	37,400	37,400
Safeguards and security		
88-D-123 Security enhancement, Pantex plant	13,400	13,400
Nuclear weapons incident response		
96-D-125 Washington measurement operations facility, Andrews Air Force Base, MD	900	900
Reconfiguration		
93-D-123 Non-nuclear reconfiguration, various locations	41,065	41,065
Subtotal, Construction	111,425	113,625
Total, Stockpile management	1,880,515	2,025,083
Program direction	135,311	115,000
Subtotal, Weapons activities	3,600,711	3,707,258
Use of prior year balances	-86,344	-209,744
Streamline DOE contractors (undistributed)	-25,000	-37,200
TOTAL, WEAPONS ACTIVITIES	3,489,367	3,460,314
DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MGMT.		
Corrective activities		
Construction		
90-D-103 Environment, safety and health improvements, weapons R&D complex, LANL	3,406	3,406
Environmental restoration	1,570,174	1,635,973

Department of Energy (in thousands)

	Budget Estimate	Conference
Waste management	2,280,039	2,295,994
Construction		
GP-D-171 General plant projects,various locations	30,728	---
96-D-400 Replace industrial waste piping, Kansas City Plant, Kansas City, MO	200	---
96-D-401 Comprehensive Treatment & Management Plan immobilization of miscellaneous wastes, Rocky Flats Environmental Technology Site, Golden, CO	1,400	---
96-D-402 Comprehensive Treatment & Management Plan building 374/774 sludge immobilization Golden, CO	1,500	---
96-D-403 Tank farm service upgrades, Savannah River, SC	3,315	---
96-D-405 T-Plant secondary containment & leak detection upgrades, Richland, WA	2,100	---
96-D-406 Spent nuclear fuels canister storage and stabilization facility, Richland, WA	26,000	42,000
96-D-407 Mixed waste low level waste treatment project, Rocky Flats	---	2,900
96-D-408 Waste mgmt upgrades, various locations	---	5,615
95-D-402 Install permanent electrical service WIPP, AL	4,314	4,314
95-D-405 Industrial landfill V and construction/ demolition landfill VII, Y-12 Plant, Oak Ridge,TN	4,600	4,600
95-D-406 Road 5-01 reconstruction, area 5, NV	1,023	1,023
95-D-407 219-S Secondary containment upgrade, Richland, WA	---	1,000
94-D-400 High explosive wastewater treatment system, LANL	4,445	4,445
94-D-402 Liquid waste treatment system, NTS	282	282
94-D-404 Melton Valley storage tank capacity increase, ORNL	11,000	11,000
94-D-407 Initial tank retrieval systems, Richland, WA	9,400	12,000
94-D-411 Solid waste operation complex Richland, WA	5,500	6,606
94-D-417 Intermediate-level and low-activity waste vaults, Savannah River, SC	2,704	---
93-D-178 Building 374 liquid waste treatment facility, Rocky Flats Plant, CO	3,900	3,900
93-D-181 Radioactive liquid waste line replacement, Richland, WA	---	5,000
93-D-182 Replacement of cross-site transfer system, Richland, WA	19,795	19,795
93-D-183 Multi-function waste remediation facility, Richland, WA	31,000	---
93-D-187 High level waste removal from filled waste tanks, Savannah River, SC	19,700	19,700
92-D-171 Mixed waste receiving and storage facility, LANL	1,105	1,105
92-D-188 Waste management ES&H, and compliance activities, various locations	1,100	1,100

Department of Energy (in thousands)

	Budget Estimate	Conference
90-D-172 Aging waste transfer line, Richland, WA..	2,000	2,000
90-D-177 RWMC transuranic (TRU) waste characterization and storage facility, ID.....	1,428	1,428
90-D-178 TSA retrieval enclosure, ID.....	2,606	2,606
89-D-173 Tank farm ventilation upgrade, Richland, WA.....	800	800
89-D-174 Replacement high level waste evaporator, Savannah River, SC.....	11,500	11,500
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA.....	8,885	8,885
83-D-148 Non-radioactive hazardous waste management, Savannah River, SC.....	1,000	1,000
Subtotal, Construction.....	213,330	174,604
Total, Waste management.....	2,493,369	2,470,598
Technology development.....	389,327	440,510
Transportation management.....	16,158	13,158
Nuclear materials and facilities stabilization.....	1,462,117	1,447,108
Construction		
GP-D-171 General plant projects, various locations.....	34,724	---
96-D-457 Thermal treatment system, Richland, WA...	---	1,000
96-D-458 Site drainage control, Mound Plant, Miamisburg, OH.....	885	885
96-D-461 Electrical distribution upgrade, Idaho National Engineering Laboratory, ID.....	1,539	1,539
96-D-462 Health physics instrument laboratory, Idaho National Engineering Laboratory, ID.....	1,126	---
96-D-463 Central facilities area (CFA) craft shop Idaho National Engineering Laboratory, ID.....	724	---
96-D-464 Electrical & utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, ID.....	4,952	4,952
96-D-465 200 Area sanitary sewer system, Richland, WA.....	1,800	---
96-D-468 Residue elimination project, Rocky Flats Plant, Golden, Co.....	---	33,100
96-D-470 Environmental monitoring laboratory, Savannah River Site, Aiken, SC.....	3,500	---
96-D-471 CFC HVAC/chiller retrofit, Savannah River Site, Aiken, SC.....	1,500	1,500
96-D-472 Plant engineering & Design, Savannah River Site, Aiken, SC.....	4,000	---
96-D-473 Health physics site support facility, Savannah River, South Carolina.....	2,000	---
95-D-155 Upgrade site road infrastructure, Savannah River, South Carolina.....	2,900	2,900
95-D-156 Radio trunking system, Savannah River,SC	6,000	6,000
95-D-454 324 Facility compliance/renovation, Richland, WA.....	3,500	3,500

Department of Energy (in thousands)

	Budget Estimate	Conference
95-D-456 Security facilities consolidation, Idaho Chemical Processing Plant, INEL, Idaho	8,382	8,382
94-D-122 Underground storage tanks, Rocky Flats Plant, CO	5,000	5,000
94-D-401 Emergency response facility, INEL, ID	5,074	5,074
94-D-412 300 area process sewer piping system upgrade, Richland, WA	1,000	1,000
94-D-415 Idaho National Engineering Laboratory medical facilities, INEL, ID	3,601	3,601
94-D-451 Infrastructure replacement, Rocky Flats Plant, CO	2,940	2,940
93-D-147 Domestic water system upgrade, Phase I & II, Savannah River, South Carolina	7,130	7,130
93-D-172 Idaho national engineering laboratory electrical upgrade, INEL, ID	124	---
92-D-123 Plant fire/security alarm system replacement, Rocky Flats Plant, Golden, CO	9,560	9,560
92-D-125 Master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, CO	7,000	7,000
92-D-181 Idaho national engineering laboratory fire and life safety improvements, INEL, ID	6,883	6,883
91-D-127 Criticality alarm & plant annunciation utility replacement, Rocky Flats plant, Golden, CO	2,800	2,800
Subtotal, Construction	128,644	114,746
Total, Nuclear materials & fac. stabilization	1,590,761	1,561,854
Compliance and program coordination	66,053	31,251
Construction		
95-E-600 Hazardous materials training center, Richland, Washington	15,000	15,000
Total, Compliance and program coordination	81,053	46,251
Analysis, education and risk management	156,430	90,022
Subtotal, Defense environmental management	6,300,678	6,261,772
Savannah river pension refund	-37,000	-37,000
Use of prior year balances	-276,942	-667,240
TOTAL, DEFENSE ENVIRON. RESTORATION AND WASTE MGMT	5,986,736	5,557,532
OTHER DEFENSE ACTIVITIES		
Other national security programs		
Verification and control technology		
Nonproliferation and verification, R&D	224,905	246,142
Arms control	160,933	160,964
Intelligence	42,110	42,336
Subtotal, Verification and control technology	427,948	449,442
Nuclear safeguards and security	86,774	83,395
Security investigations	32,871	20,000
Security evaluations	14,658	14,707
Nuclear safety	24,597	17,679

Department of Energy (in thousands)

	Budget Estimate	Conference
Worker and community transition	100,000	82,500
Fissile materials control and disposition	69,979	70,000
Emergency management	---	23,321
Total, Other national security programs	756,827	761,044
Naval reactors		
Naval reactors development	649,700	652,568
Construction		
GPN-101 General plant projects, various locations	6,600	6,600
95-D-200 Laboratory systems and hot cell upgrades, various locations	11,300	11,300
95-D-201 Advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, ID	4,800	4,800
93-D-200 Engineering services facilities Knolls Atomic Power Laboratory, Niskayuna, NY	3,900	3,900
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	3,000	3,000
Subtotal, Construction	29,600	29,600
Total, Naval reactors	679,300	682,168
Subtotal, Other defense activities	1,436,127	1,443,212
Use of prior year balances	-13,000	-70,000
TOTAL, OTHER DEFENSE ACTIVITIES	1,423,127	1,373,212
DEFENSE NUCLEAR WASTE DISPOSAL		
Defense nuclear waste disposal	198,053	248,400
TOTAL, ATOMIC ENERGY DEFENSE ACTIVITIES	11,097,283	10,639,458
DEPARTMENTAL ADMINISTRATION		
Administrative operations		
Office of the Secretary - salaries and expenses	3,435	2,500
General management - personnel compensation and benefits	208,398	185,000
General management - other expenses	180,630	157,000
Program support		
Minority economic impact	3,415	2,900
Policy analysis and system studies	5,864	2,900
Consumer affairs	46	40
Public affairs	92	50
Environmental policy studies	7,700	4,000
Scientific and technical training	2,248	1,000
Subtotal, Program support	19,365	10,890
Total, Administrative operations	411,828	355,390
Cost of work for others	22,826	22,826
Subtotal, Departmental Administration	434,654	378,216
Use of unobligated balances and other adjustments	-11,519	-11,519
Total, Departmental administration (gross)	423,135	366,697
Miscellaneous revenues	-137,306	-122,306

Department of Energy (in thousands)

	Budget Estimate	Conference
OFFICE OF INSPECTOR GENERAL		
Office of Inspector General	32,611	26,915
Use of prior year balances	-1,915	-1,915
TOTAL, OFFICE OF INSPECTOR GENERAL	30,696	25,000
POWER MARKETING ADMINISTRATIONS		
ALASKA POWER ADMINISTRATION		
Operation and maintenance	4,260	4,260
SOUTHEASTERN POWER ADMINISTRATION		
Operation and maintenance		
Operating expenses	3,472	3,472
Purchase power and wheeling	26,416	26,430
Subtotal, Operation and maintenance	29,888	29,902
Use of prior year balances	-10,059	-10,059
TOTAL, SOUTHEASTERN POWER ADMINISTRATION	19,829	19,843
SOUTHWESTERN POWER ADMINISTRATION		
Operation and maintenance		
Operating expenses	20,897	20,897
Purchase power and wheeling	1,464	1,464
Construction	7,789	7,931
Subtotal, Operation and maintenance	30,150	30,292
Use of prior year balances	-514	-514
TOTAL, SOUTHWESTERN POWER ADMINISTRATION	29,636	29,778
WESTERN AREA POWER ADMINISTRATION		
Operation and maintenance		
Construction and rehabilitation	64,816	51,125
System operation and maintenance	123,358	125,255
Purchase power and wheeling	97,322	93,709
Utah mitigation and conservation	5,283	5,283
Subtotal, Operation and maintenance	290,779	275,372
Use of prior year balances	-8,020	-17,720
Transfer of authority from Department of Interior	(4,556)	(4,556)
TOTAL, WESTERN AREA POWER ADMINISTRATION	282,759	257,652
FALCON AND AMISTAD OPERATING AND MAINTENANCE FUND		
Operation and maintenance	1,000	1,000
TOTAL, POWER MARKETING ADMINISTRATIONS	337,484	312,533
FEDERAL ENERGY REGULATORY COMMISSION		
Federal energy regulatory commission	151,567	146,290
Use of prior year balances (FERC)	-15,000	-15,000
FERC revenues	-136,567	-131,290
TOTAL, FEDERAL ENERGY REGULATORY COMMISSION	---	---
NUCLEAR WASTE DISPOSAL FUND		
Discretionary funding	---	151,600

Department of Energy (in thousands)

	Budget Estimate	Conference
ENERGY AND WATER DEVELOPMENT ACCOUNTS		
Energy Supply, Research and Development	3,355,521	2,727,407
Uranium Supply and Enrichment Activities	75,441	64,197
Revenues	-34,903	-34,903
Total, Uranium supply and enrichment	40,538	29,294
Uranium enrichment D&D fund	288,807	278,807
General Science and Research Activities	1,011,699	981,000
Nuclear Waste Disposal Fund	---	151,600
Environmental Restoration and Waste Management		
Defense function	(5,986,736)	(5,557,532)
Non-defense function	(991,063)	(900,348)
Total, Environmental Restoration and Waste Mgmt	(6,977,799)	(6,457,880)
Atomic Energy Defense Activities		
Weapons Activities	3,489,367	3,460,314
Defense Environmental Restoration and Waste Mgmt	5,986,736	5,557,532
Other Defense Activities	1,423,127	1,373,212
Defense nuclear waste disposal	198,053	248,400
Total, Atomic Energy Defense Activities	11,097,283	10,639,458
Departmental Administration	423,135	366,697
Revenues	-137,306	-122,306
Total, Departmental administration	285,829	244,391
Office of the Inspector General	30,696	25,000
Power Marketing Administrations		
Alaska Power Administration	4,260	4,260
Southeastern Power Administration	19,829	19,843
Southwestern Power Administration	29,636	29,778
Western Area Power Administration	282,759	257,652
Falcon and Amistad Operating and Maintenance Fund	1,000	1,000
Total, Power Marketing Administrations	337,484	312,533
Federal Energy Regulatory Commission	---	---
TOTAL, ENERGY AND WATER DEVELOPMENT ACCOUNTS	16,447,857	15,389,490

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

Amendment No. 41: Appropriates $170,000,000 instead of $142,000,000 as proposed by the House and $182,000,000 as proposed by the Senate.

Of the total amount appropriated, $57,355,000 is provided for area development, $3,645,000 is provided for salaries and expenses, and $109,000,000 is provided for the highway program.

The conferees direct that the Commission establish new area development allocation criteria which place greater emphasis on assistance to the more severely distressed counties.

DELAWARE RIVER BASIN COMMISSION

Amendment No. 42: Appropriates $343,000 for Salaries and Expenses instead of $440,000 as proposed by the Senate and appropriates $428,000 as a contribution to the Delaware River Basin Commission instead of $478,000 as proposed by the Senate and deletes language related to the compensation of the United States Commissioner as proposed by the Senate. The House included no similar provision.

The conferees agree to provide final year funding for the Delaware River Basin Commission. Funding is provided to facilitate an orderly transition to financial self-sufficiency of the compact states and an orderly termination of the Office of the Federal Commissioner. Committees of authorizing jurisdiction will have an opportunity during fiscal year 1996 to address any new institutional arrangements or revisions to the Delaware River Basin Compact that are necessary or desirable due to the prospective termination of federal funding.

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

Amendment No. 43: Appropriates $511,000 as proposed by the Senate. The House included no similar provision.

The conferees agree to provide final year funding for the Interstate Commission on the Potomac River Basin. Funding is provided to facilitate an orderly transition to financial self-sufficiency of the compact states. Committees of authorizing jurisdiction will have an opportunity during fiscal year 1996 to address any new institutional arrangements or revisions to the compact creating the Interstate Commission on the Potomac River Basin that are necessary or desirable due to the prospective termination of Federal funding.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

Amendment No. 44: Appropriates $468,300,000 as proposed by the House instead of $474,3000,000 as proposed by the Senate.

Amendment No. 45: Derives $11,000,000 from the Nuclear Waste Fund as proposed by the House instead of $17,000,000 as proposed by the Senate.

Amendment No. 46: Provides for a net appropriation of $11,000,000 as proposed by the House instead of $17,000,000 as proposed by the Senate.

NUCLEAR WASTE TECHNICAL REVIEW BOARD

Amendment No. 47: Appropriates $2,531,000 as proposed by the House instead of $2,664,000 as proposed by the Senate.

SUSQUEHANNA RIVER BASIN COMMISSION

Amendment No. 48: Appropriates $318,000 for Salaries and Expenses instead of $280,000 as proposed by the Senate and appropriates $250,000 as a contribution to the Susquehanna River Basin Commission instead of $288,000 as proposed by the Senate and deletes language relating to the compensation of the United States Commissioner as proposed by the Senate. The House included no similar provision.

The conferees agree to provide final year funding for the Susquehanna River Basin Commission. Funding is provided to facilitate an orderly transition to financial self-sufficiency of the compact states and an orderly termination of the Office of the Federal Commissioner. Committees of authorizing jurisdiction will have an opportunity during fiscal year 1996 to address any new institutional arrangements or revisions to the Susquehanna River Basin Compact that are necessary or desirable due to the prospective termination of Federal funding.

TENNESSEE VALLEY AUTHORITY

Amendment No. 49: Appropriates $109,169,000 for the Tennessee Valley Authority instead of $103,339,000 as proposed by the House and $110,339,000 as proposed by the Senate.

The appropriation is to be distributed among TVA programs as follows: $71,169,000 for stewardship and land and water; $5,000,000 for Land Between the Lakes; $16,000,000 for economic development; and $17,000,000 for the environmental research center.

In conjunction with its efforts to reduce the need for future appropriations at Land Between the Lakes through reductions, savings and efficiencies, TVA may continue to use its flexibility to allocate up to an additional $1,000,000 from its Stewardship funds to LBL. This flexibility will allow TVA, if the need arises due to a lack of funds or other emergency and/or crisis situations, to allocate additional funding to promote the facilitation of LBL's transition to increased financial self-sufficiency.

Amendment No. 50: Includes language proposed by the Senate that requires the Tennessee Valley Authority to submit to Congress a plan for obtaining funding for the Environmental Research Center from other sources amended to extend the deadline for submission of such plan and to delete limitations on expenditures for the TVA Environmental Research Center.

TITLE V

GENERAL PROVISIONS

Amendment No. 51: Deletes language proposed by the House repealing Sec. 505 of Public Law 102–377 which prohibits the use of funds to conduct studies relating to changes in pricing hydroelectric power by the six Federal public power authorities and Sec. 208 of Public Law 99–349 which prohibits the use of funds by the executive branch to solicit proposals, prepare studies, or draft proposals to transfer out of Federal ownership the Federal power marketing administrations located within the contiguous 48 states, but accepts House language repealing Sec. 510 of Public Law 101–514 which prohibits the use of funds by the executive branch to change the employment levels determined by the administrators of the Federal power marketing administrations to be necessary to carry out their responsibilities. The conferees agree that the statutory limitations do not prohibit the Legislative Branch from initiating or conducting studies or collecting information regarding the sale or transfer of the power marketing administrations to non-Federal ownership.

The conference agreement also inserts language which extends the due date for the report required to be submitted by Title 30 of Public Law 102–575, the Western Water Policy Review Act of 1992. This extension is required because of the delay by the Administration in establishing the Western Water Policy Review Advisory Commission. The Bureau of Reclamation may use up to $800,000 of available funds in support of the work of the Commission.

Amendment No. 52: Deletes language proposed by the House and stricken by the Senate providing that no funds may be used for programs, projects, or activities not in compliance with applicable Federal law relating to risk assessment, protection of property rights, or unfunded mandates and inserts language which extends the authorization for the Trinity River Restoration Program of the Central Valley Project, California, for one year. The conferees are aware that the House Resources Committee currently has under consideration legislation to extend the authorization for this program. This temporary extension will permit work to continue on this important program pending action by the authorizing committee.

Amendment No. 53: Deletes language proposed by the House and stricken by the Senate reducing the Nuclear Waste Disposal Fund by $1,000, and inserts language that directs the Secretary of the Interior to proceed without delay with construction of those facilities of the Animas-La Plata Project, Colorado and New Mexico, identified for construction in the Final Biological Opinion for the project dated October 25, 1991.

Amendment No. 54: Deletes language proposed by the House and stricken by the Senate which provides that none of the funds available in the Act for the U.S. Army Corps of Engineers Upper Mississippi River—Illinios Waterway Navigation Study may be used to study any portion of the Mississippi River above Lock and Dam 14.

The conferees believe that the language contained in the Hospital-passed bill could restrict the ability of the Corps of Engineers to undertake a comprehensive study of the navigation needs on the Upper Mississippi River and Illinois Waterway and have, therefore, agreed to delete the language. The conferees do agree, however, with the intent of the language and direct that the Corps of Engineers not study any large-scale improvements on the Upper Mississippi River above Lock and Dam 14.

Amendment No. 55: Deletes language inserted by the Senate pertaining to the amount of fish and wildlife costs that the Bonneville Power Administration could incur, and inserts language amending Public Law 88–552 and the Pacific Northwest Electric Power Planning and Conservation Act to permit the Bonneville Power Administration to sell excess Federal power outside the Pacific Northwest; requiring the Northwest Power and Conservation Planning Council to provide a report to Congress; authorizing the Corps of Engineers to procure goods through Bonneville using the authorities available to the Administrator; maintaining the residential exchange power program through fiscal year 1997; providing Bonneville Power Administration employees with a voluntary separation incentive up to $25,000; and authorizing these authorities to extend beyond the fiscal year.

The conferees are deeply concerned over the escalating and uncoordinated fish and wildlife costs imposed on the Bonneville Power Administration (BPA) and its customers due to Endangered Species Act compliance. The conferees are concerned that the current inability to control BPA's fish and wildlife costs may result in the shifting of costs—both directly and indirectly—to the Nation's taxpayers and to non-Federal interests on the Columbia and Snake River system. Such non-Federal interests include the region's electric ratepayers, agriculture, non-Federal hydroelectric projects owners, river users, reservoir users, water interests, and others. The conferees strongly urge BPA and the Administration to resist the temptation to shift fish and wildlife costs onto the Nation's taxpayers and these non-Federal interests.

The conferees understand that there is a nearly unanimous call from affected parties—user groups, and ratepayers—in the region of Washington, Oregon, Idaho and Montana to start the review of the Pacific Northwest Power Planning and Conservation Act. The provisions of the Northwest Power Act that deserve careful consideration include, but are not limited to, containing the region's fish and wildlife costs, coordinating fish and wildlife expenditures, and granting the region the ability to make the decisions with respect to such costs. The conferees, therefore, urge a renewed review of the Northwest Power Act within the authorizing committees in the next session of Congress in an effort to answer these and other important issues confronting the region.

The conferees understand the Administration is taking steps to control fish and wildlife costs as an interim measure. In addition, the conferees direct the agencies involved to enter into a Memorandum of Agreement establishing an overall salmon recovery budget, and detailing the manner in which such budget will be implemented.

Sale of Excess Federal Power.—Excess power may be generated by routine power operations, or fish and wildlife operations, of either the Federal Columbia River Power System or other electric power plants from which Bonneville is contractually obligated to acquire electric power.

This section removes restrictions from power made excess to BPA contractual obligations by: 1) a customer's decision to remove load from Bonneville, 2) hydrosystem operations, or 3) purchases for the benefit of fish and wildlife. This gives BPA greater flexibility in marketing, to increase its revenue and its competitiveness.

The legislation applies the term ''excess power'' to this power. Currently, Bonneville's authorizing legislation severely limits Bonneville's flexibility to market such power, putting the agency at a marketing disadvantage and restricting potential revenues. Bonneville may sell excess power without, among other things, the regional preference call back provisions of 60 days for energy sales and 60 months for capacity sales, and without the Bonneville Project Act prohibition on resale of Federal power by private entities not in the business of selling power in the retail market. Surplus power which is surplus for reasons other than the reasons stated above will continue to be governed by existing marketing restrictions.

Bonneville is allowed greater flexibility to provide Pacific Northwest preference notice to regional customers for out-of-region sales. This flexibility may include shorter notice periods and less detailed information on in-program negotiations. Notice periods may be very short for short-term sales (for example, notice to accommodate hourly sales) and for transactions that must be negotiated quickly. BPA may also provide seasonal notices with price ranges requesting interested parties to contact BPA to purchase power. In all cases, prior to sales outside the Pacific Northwest, Bonneville would continue to offer power first to Northwest utilities and industries purchasing power from Bonneville. Bonneville would offer excess power first to regional customers under the same essential rate, terms and conditions as for the proposed out-of-region sale. The Administrator has discretion in making this determination given that the rate may depend on terms and conditions for one purchaser that would be inapplicable to another purchaser. The rate, as under current law, will continue to be the price that BPA applies to the proposed sale within the parameters of the applicable rate schedule and based on the terms and conditions of the sale.

This legislation poses no significant risk or cost to Bonneville's regional customers because the only power sold outside the region without the restrictions is power abandoned by regional customers and excess power generated or purchased for the benefit of fish and wildlife. No other amount of power can be sold outside the region without such restrictions. Regional customers will continue to receive first right to purchase excess power before it is sold outside the region.

Within 90 days, the Bonneville Power Administration, with the concurrence of the Secretary of Energy, shall deliver a report on the sale of excess Federal Power provision to the House Commerce Committee, House Resources Committee, the Senate Energy and Natural Resources Committee, and the House and Senate Committies on Appropriations. This report will be one of the factors considered in the comprehensive review of the Bonneville Power Administration.

Residential Exchange.—Establishes the total amount of benefits available for residential and small farm consumers of utilities participating in the residential exchange program under section 5(c) of the Pacific Northwest Power Planning and Conservation Act for fiscal year 1997. All residential exchange benefits will continue to be passed through in their entirety to the eligible residential and small farm consumers of the respective utilities. The conferees recognize the authority of the Bonneville Power Administration to implement in lieu transactions, among other actions, which could effectively terminate the residential exchange after 2001. Consistent with the regional review, Bonneville and its customers should work together to gradually phase out the residential exchange program by October 1, 2001. This should result in total fiscal year 1997 benefits to these consumers being approximately equivalent to the benefits they received in fiscal year 1996.

In order to maintain a sound financial position, the conferees urge, to the extent practicable, BPA to take such actions as are necessary to assure the proposed rate for public utilities and direct services industries are not increased from the initial proposal. In a further effort to prevent load loss, the conferees urge Bonneville to pursue load commitments from its public utility customers at an appropriate level which assures Bonneville's continued financial viability and recognizes customers' desires for load diversification and to capture economies of scale by pooling their resources.

Amendment No. 56: Inserts a provision which would repeal section 7 of the Magnetic Fusion Engineering Act as proposed by the Senate, but does not repeal section 3131(c) of Public Law 101–510, the National Defense Authorization Act for Fiscal Year 1991, as proposed by the Senate because this was an erroneous citation.

Amendment No. 57: Deletes language proposed by the Senate expressing the sense of the Senate on the conference on S. 4, the Line Item Veto Act.

Amendment No. 58: Deletes language proposed by the Senate requiring reductions in energy costs of agency facilities.

Amendment No. 59: Inserts language proposed by the Senate regarding the regulation of water levels in Rainy Lake and Namakan Lake in Minnesota, and changes the section number.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1996 recommended by the Committee of Conference, with comparison to the fiscal year 1995 amount, the 1996 budget estimates, and the House and Senate bills for 1966 follow:

New budget (obligational) authority, fiscal year 1995	$20,042,999,000
Budget estimates of new (obligational) authority, fiscal year 1996	20,562,044,000
House bill, fiscal year 1996	18,682,457,000
Senate bill, fiscal year 1996	20,169,152,000
Conference agreement, fiscal year 1996	19,336,311,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1995	−706,688,000
Budget estimates of new (obligational) authority, fiscal year 1996	−1,225,733,000
House bill, fiscal year 1996	+653,854,000
Senate bill, fiscal year 1996	−832,841,000

JOHN T. MYERS,
HAROLD ROGERS,
JOE KNOLLENBERG,
FRANK RIGGS,
RODNEY P. FRELINGHUYSEN,
JIM BUNN,
BOB LIVINGSTON,
TOM BEVILL,
VIC FAZIO,
JIM CHAPMAN,
Managers on the Part of the House.

PETE V. DOMENICI,
MARK O. HATFIELD,
THAD COCHRAN,
SLADE GORTON,
MITCH MCCONNELL,
ROBERT F. BENNETT,
CONRAD BURNS,
ROBERT C. BYRD,
FRITZ HOLLINGS,
HARRY REID,
BOB KERREY,
PATTY MURRAY,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 1868

Mr. CALLAHAN submitted the following conference report and statement on the bill (H.R. 1868) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, and for other purposes:

CONFERENCE REPORT (H. REPT. 104–295)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1868) ''making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, and for other purposes,'' having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 3, 6, 15, 21, 23, 25, 29, 30, 33, 36, 37, 39, 54, 59, 61, 71, 85, 88, 90, 91, 93, 95, 96, 97, 98, 99, 100, 101, 102, 107, 108, 109, 112, 113, 117, 119, 120, 125, 127, 128, 129, 130, 134, 136, 137, 141, 143, 148, 153, 154, 157, 164, 166, 170, 172, 173, 174, 177, 178, 179, 180, 184, 185, 187, 188, 191, and 193.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 7, 13, 14, 17, 20, 26, 27, 38, 40, 41, 49, 50, 52, 56, 57, 58, 62, 66, 67, 68, 69, 70, 74, 75, 77, 81, 83, 84, 86, 87, 103, 104, 105, 110, 111, 114, 116, 118, 121, 122, 123, 124, 131, 133, 138, 139, 146, 149, 150, 151, 160, 161, 162, and 163, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$45,614,000*; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$72,000,000*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT CHILD SURVIVAL AND DISEASE PROGRAMS

Of the funds appropriated in title II of this Act, and under the heading ''International Organizations and Programs'' in title IV of this Act, not less than $484,000,000 shall be made available for programs for child survival, assistance to combat tropical and other diseases, and related activities: Provided, That this amount shall be made available for such activities as (1) immunization programs, (2) oral rehydration programs, (3) health and nutrition programs, and related education programs, which address the needs of mothers and children, (4) water and sanitation programs, (5) assistance for displaced and orphaned children, (6) programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria and other diseases, and (7) a contribution on a grant basis to the United Nations Children's Fund (UNICEF).

And the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

DEVELOPMENT ASSISTANCE

And the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96–533) and the provisions of section 401 of the Foreign Assistance Act of 1969, $1,675,000,000; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: *That of the amount appropriated under this heading, up to $20,000,000 may be made available for the Inter-American Foundation and shall be apportioned directly to that agency: Provided further, That of the amount appropriated under this heading, up to $11,500,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: Provided further, That of the funds appropriated under title II of this Act that are administered by the Agency for International Development and made available for family planning assistance, not less than 65 percent shall be made available directly to the agency's central Office of Population and shall be programmed by that office for family planning activities: Provided further, That the President shall seek to ensure that funds made available under this heading for sub-Saharan Africa are in substantially the same proportion to the total amount appropriated and made available by this Act for development assistance as the proportion of funds made available for development assistance for sub-Saharan Africa was to the total amount appropriated for development assistance in Public Law 103–306: Provided further, That up to $25,000,000 of the funds appropriated under this heading may be made available for necessary expenses to carry out the provisions of section 667 of the Foreign Assistance Act: Provided further, That the President shall seek to ensure that the percentage of funds made available under this heading for the activities of private and voluntary organizations and cooperatives is at least equal to the percentage of funds made available pursuant to corresponding authorities in law for the activities of private and voluntary organizations and cooperatives in fiscal year 1995: Provided further,*

And the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: *: Provided further, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term ''motivate'', as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options*; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: *: Provided further, That not less than $650,000 of the funds made available under this heading should be made available for support of the United States Telecommunications Training Institute*; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agreed to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

CYPRUS

Of the funds appropriated under the headings ''Development Assistance'' and ''Economic Support Fund'', not less than $15,000,000 shall be made available for Cyprus to be used for scholarships, administrative support of the scholarship program, bicommunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.

And the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment to the Senate numbered 19, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

BURMA

Of the funds appropriated by this Act to carry out the provisions of chapter 8 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $2,380,000 shall be made available to support activities in Burma, along the Burma-Thailand border, and for activities of Burmese student groups and other organizations located outside Burma, for the purposes of fostering democracy in Burma, supporting the provision of medical supplies and other humanitarian assistance to Burmese located in Burma or displaced Burmese along the borders, and for other purposes: Provided, That of this amount, not less than $200,000 shall be made available to support newspapers, publications, and other media activities promoting democracy inside Burma: Provided further, That of this amount, not less than $380,000 shall be made available for crop substitution activities in cooperation with the Kachin people of Burma: Provided further, That funds made available under this heading may be made available notwithstanding any other provision of law: Provided further, That provision of such funds shall be made available subject to the regular notification procedures of the Committees on Appropriations.

And the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $181,000,000 to remain available until expended.

HUMANITARIAN ASSISTANCE TO THE FORMER YUGOSLAVIA

Of the funds appropriated in title II of this Act, $40,000,000 should be available only for emergency humanitarian assistance to the former Yugoslavia, of which amount not less than $6,000,000 shall be available only for humanitarian assistance to Kosova.

And the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *owed to the United States as a result of concessional loans made to eligible Latin American and Caribbean countries, pursuant to part IV of the Foreign Assistance Act of 1961, $10,000,000*; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961, $4,000,000, to remain available until September 30, 1997: Provided, That these funds are available to subsidize loan principal, 100 percent of which shall be guaranteed, pursuant to the authority of such sections. In addition, for administrative expenses to carry out guaranteed loan programs, $7,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: Provided further, That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) and, with regard to programs for Eastern Europe and programs for the benefit of South Africans disadvantaged by apartheid, section 223(j) of the

Foreign Assistance Act of 1961: Provided further, That none of the funds appropriated under this heading shall be obligated except through the regular notification procedures of the Committees on Appropriations.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows : *Provided, That of this amount not more than $1,475,000 may be made available to pay for printing costs: Provided further, That none of the funds appropriated by this Act for programs administered by the Agency for International Development (AID) may be used to finance printing costs of any report or study (except feasibility, design, or evaluation reports or studies) in excess of $25,000 without the approval of the Administrator of the Agency or the Administrator's designee: Provided further, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be made available for expenses necessary to relocate the Agency for International Development, or any part of that agency, to the building at the Federal Triangle in Washington, District of Columbia*; and the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$30,200,000, to remain available until September 30, 1997*; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$2,340,000,000*; and the Senate agree to the same.

Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *: Provided, That of the funds appropriated under this heading, not less than $1,200,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within thirty days of enactment of this Act or by October 31, 1995, whichever is later: Provided further, That not less than $815,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance may be provided, with the understanding that Eygpt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years, and of which not less than $200,000,000 shall be provided as Commodity Import Program assistance: Provided further, That the Egyptian pound equivalent of $85,000,000 generated from funds made available by this paragraph or generated from funds appropriated under this heading in prior appropriations Acts, may be made available to the United States pursuant to the United States-Egypt Economic, Technical and Related Assistance Agreements of 1978, for the following activities under such Agreements: the Egyptian pound equivalent of $50,000,000 may be made available to replenish the existing endowment for the American University in Cairo, and the Egyptian pound equivalent of $35,000,000 may be made available for projects and programs, including establishment of an endowment, which promote the preservation and restoration of Egyptian antiquities: Provided further, That in exercising the authority to provide cash transfer assistance for Israel and Egypt, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of non-military exports from the United States to each such country: Provided further, That it is the sense of the Congress that the recommended levels of assistance for Egypt and Israel are based in great measure upon their continued participation in the Camp David Accords and upon the Egyptian-Israeli peace treaty*; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$641,000,000*; and the Senate agree to the same.

Amendment numbered 43:

That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows: *, such as those violations included in the Helsinki Final Act: Provided, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States: Provided further,*

And the Senate agree to the same.

Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: *: Provided, That this restriction does not apply to demilitarization or nonproliferation programs*; and the Senate agree to the same.

Amendment numbered 45:

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, and to read as follows: *: Provided, That grantees and contractors should, to the maximum extent possible, place in key staff positions specialists with prior on the ground expertise in the region of activity and fluency in one of the local languages*; and the Senate agree to the same.

Amendment numbered 46:

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

(j) In issuing new task orders entering into contracts, or making grants, with funds appropriated under this heading or in prior appropriations Acts, for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

And the Senate agree to the same.

Amendment numbered 47:

That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

(k) Of the funds made available under this heading, not less than $225,000,000 shall be made available for Ukraine, with the understanding that Ukraine will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years, and of which not less than $50,000,000 (from this or any other Act) shall be made available to improve energy self-sufficient and improve safety at nuclear reactors, and of which $2,000,000 should be made available to conduct or implement an assessment of the energy distribution grid that provides recommendations leading to increased access to power by industrial, commercial and residential users, and of which not less than $22,000,000 shall be made available to support the development of small and medium enterprises, including independent broadcast and print media.

(l) Of the funds made available under this heading, $5,000,000 should be made available for a project to screen, diagnose, and treat victims of breast cancer associated with the 1985 incident at the Chernobyl reactor in Ukraine.

(m) Of the funds made available by this Act, not less than $85,000,000 shall be made available for Armenia.

(n) Of the funds made available by this or any other Act, $30,000,000 should be made available for Georgia.

(o)(1) Effective ninety days after the date of enactment of this Act, none of the funds appropriated under this heading may be made available for Russia unless the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor or related nuclear research facilities or programs.

(2) Subparagraph (1) shall not apply if the President determines that making such funds available is important to the national security interest of the United States. Any such determination shall cease to be effective six months after being made unless the President determines that its continuation is important to the national security interest of the United States.

(p) Of the funds appropriated under this heading, $20,000,000 should be provided for hospital partnership programs, medical assistance to directly reduce the incidence of infectious diseases such as diphtheria or tuberculosis, and a program to reduce the adverse impact of contaminated drinking water.

(q) Of the funds appropriated under this heading and under the heading ''Assistance for Eastern Europe and the Baltic States'', not less than $12,600,000 shall be made available for law enforcement training and exchanges, and investigative and technical assistance activities related to international criminal activities.

(r) Support should be provided from funds appropriated under this heading for a ballot security project to promote public review by Russian citizens over the conduct of parliamentary and presidential elections in Russia: Provided, That the Secretary of State may waive this provision with regard to any election upon notification to the Committees on Appropriations that the Government of Russia has blocked implementation of a ballot security project.

(s) Of the funds appropriated under this heading, not less than $50,000,000 should be provided to the Western NIS and Central Asian Enterprise Funds: Provided, That obligation of these funds shall be consistent with sound business practices.

(t) The President shall establish a Trans-Caucasus Enterprise Fund to encourage regional peace through economic cooperation: Provided, That the President shall seek other bilateral and multilateral investors in the Fund: Provided further, That of the funds made available under this heading, not less than $15,000,000 shall be made available for a United States investment in the Trans-Caucasus Enterprise Fund.

(u) Funds appropriated under this heading or in prior appropriations Acts that are or have

been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program proposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(v) Section 5421(d) (3) (B) of title 22, United States Code is amended by adding at the end thereof the following: '': Provided, That, as to Enterprise Funds established with respect to more than one host country, such Enterprise Fund may, in lieu of the appointment of citizens of the host countries to its Board of Directors, establish an advisory council for the host region comprised of citizens of each of the host countries or establish separate advisory councils for each of the host countries (hereinafter in this section referred to as the ''Advisory Councils''), with which the Enterprise Fund's policies and proposed activities and such host country citizens shall satisfy the experience and expertise requirements of this clause.''

(w) Notwithstanding any other provision of law, assistance may be provided for the Government of Azerbaijan for humanitarian purposes, if the President determines that humanitarian assistance provided in Azerbaijan through nongovernmental organizations is not adequately addressing the suffering of refugees and internally displaced persons.

And the Senate agree to the same.

Amendment numbered 48:

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

INDEPENDENT AGENCY

And the Senate agree to the same.

Amendment numbered 51:

That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$205,000,000*; and the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$115,000,000*; and the Senate agree to the same.

Amendment numbered 55:

That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: *; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code*; and the Senate agree to the same.

Amendment numbered 60:

That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$16,000,000*; and the Senate agree to the same.

Amendment numbered 63:

That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows: *: Provided further, That funds appropriated under this heading for grant financed military education and training for Indonesia may only be available for expanded military education and training*; and the Senate agree to the same.

Amendment numbered 64:

That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$3,208,390,000*; and the Senate agree to the same.

Amendment numbered 65:

That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *: Provided, That of the funds appropriated by this paragraph not less than $1,800,000,000 shall be available for grants only for Israel, and not less than $1,300,000,000 shall be available for grants only for Egypt: Provided further, That the funds appropriated by this paragraph for Israel shall be disbursed within thirty days of enactment of this Act or by October 31, 1995, whichever is later: Provided further, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than $475,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development*; and the Senate agree to the same.

Amendment numbered 72:

That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$23,250,000*; and the Senate agree to the same.

Amendment numbered 73:

That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows:

In lieu of the sum named in said amendment, insert: *$70,000,000*; and the Senate agree to the same.

Amendment numbered 76:

That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$35,000,000*; and the Senate agree to the same.

Amendment numbered 78:

That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$700,000,000*; and the Senate agree to the same.

Amendment numbered 79:

That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment, as follows:

Retain the matter proposed by said amendment, amended as follows: in lieu of ''$67,550,000'', insert: *$60,900,000*; and the Senate agree to the same.

Amendment numbered 80:

That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *$25,952,110, and for the United States share of the increase in the resources of the Fund for Special Operations, $10,000,000, to remain available until expended*; and the Senate agree to the same.

Amendment numbered 82:

That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment, as follows:

Retain the matter proposed by said amendment, amended as follows: in lieu of ''$70,000,000'', insert: *$53,750,000*; and the Senate agree to the same.

Amendment numbered 89:

That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$285,000,000*; and the Senate agree to the same.

Amendment numbered 92:

That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$30,000,000*; and the Senate agree to the same.

Amendment numbered 94:

That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows: *: Provided further, That funds may be made available to the Korean Peninsula Energy Department Organization (KEDO) for administrative expenses and heavy fuel oil costs associated with the Agreed Framework: Provided further, That no funds may be provided for KEDO for funding for administrative expenses and heavy fuel oil costs beyond the total amount included for KEDO in the fiscal year 1996 congressional presentation: Provided further, That no funds may be made available under this Act to KEDO unless the President determines and certifies in writing to the Committees on Appropriations that (a) in accordance with section 1 of the Agreed Framework, KEDO has designated a Republic of Korea company, corporation or entity for the purpose of negotiating a prime contract to carry out construction of the light water reactors provided for in the Agreed Framework; and (b) the Democratic People's Republic of Korea is maintaining the freeze on its nuclear facilities as required in the Agreed Framework; and (c) the United States is taking steps to assure that progress is made on (1) the North-South dialogue, including efforts to reduce barriers to trade and investment, such as removing restrictions on travel, telecommunications services and financial transactions; (2) implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula; Provided further, That a report on the specific efforts with regard to subsections (a), (b) and (c) of the preceding proviso shall be submitted by the President to the Committees on Appropriations six months after the date of enactment of this Act, and every six months thereafter*; and the Senate agree to the same.

Amendment numbered 106:

That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

''Development Assistance''

And the Senate agree to the same.

Amendment numbered 126:

That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with an amendment, as follows:

In the matter proposed to be inserted in said amendment, strike ''wholly paid for'' and insert: *wholly paid for from*; and the Senate agree to the same.

Amendment numbered 132:

That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

(c) WAIVER AUTHORITY.—The President may waive the application in whole or in part, of subsection (a) if the President certifies to the Congress that the President has determined that the waiver is necessary to meet emergency humanitarian needs or to achieve a negotiated settlement of the conflict in Bosnia-Herzegovina that is acceptable to the parties.

(d) EXPANDED AUTHORITY.—Section 660(b) of the Foreign Assistance Act of 1961 is amended—

(1) in paragraph (3), by striking ''or'';

(2) in paragraph (4), by striking the period at the end thereof and inserting ''; or'';

(3) adding the following new paragraphs:

''(5) with respect to assistance, including training, relating to sanctions monitoring and enforcement;

''(6) with respect to assistance provided to reconstitute civilian police authority and capability in the post-conflict restoration of host nation infrastructure for the purposes of supporting a nation emerging from instability, and the provision of professional public safety training, to include training in internationally recognized standards of human rights, the rule of law, anti-corruption, and the promotion of civilian police roles that support democracy.''.

And the Senate agree to the same.

Amendment numbered 135:

That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *tactically or strategically, with the Khmer Rouge in their military operations, or to the military of any country which the President determines is not taking steps to prevent a pattern or practice of commercial relations between its members and the Khmer Rouge*; and the Senate agree to the same.

Amendment numbered 140:

That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows: , *Estonia, Latvia, and Lithuania*; and the Senate agree to the same.

Amendment numbered 142:

That the House recede from its disagreement to the amendment of the Senate numbered 142, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows: : *Provided, That not to exceed $750,000 may be made available to carry out the provisions of section 316 of Public law 96–533*; and the Senate agree to the same.

Amendment numbered 144:

That the House recede from its disagreement to the amendment of the Senate numbered 144, and agree to the same with an amendment, as follows:

Retain the matter proposed by said amendment, amended as follows: In lieu of ''October 23, 1993'' insert: *October 23, 1992*; and the Senate agree to the same.

Amendment numbered 145:

That the House recede from its disagreement to the amendment of the Senate numbered 145, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

CLARIFICATION OF RESTRICTIONS

(a) IN GENERAL.—Section 620E of the Foreign Assistance Act of 1961 (22 U.S.C. 2375) is amended—

(1) in subsection (e)—

(A) by striking the words ''No assistance'' and inserting the words ''No military assistance'';

(B) by striking the words ''in which assistance is to be furnished or military equipment or technology'' and inserting the words ''in which military assistance is to be furnished or military equipment or technology'';

(C) by striking the words ''the proposed United States assistance'' and inserting the words ''the proposed United States military assistance'';

(D) by inserting ''(1)'' immediately after ''(e)''; and

(E) by adding the following new paragraph:

''(2) The prohibitions in this section do not apply to any assistance or transfer provided for the purposes of:

''(A) International narcotics control (including Chapter 8 of Part I of this Act) or any provision of law available for providing assistance for counter narcotics purposes;

''(B) Facilitating military-to-military contact, training (including Chapter 5 of Part II of this Act) and humanitarian and civic assistance projects;

''(C) Peacekeeping and other multilateral operations (including Chapter 6 of Part II of this Act relating to peacekeeping) or any provision of law available for providing assistance for peacekeeping purposes, except that lethal military equipment provided under this subparagraph shall be provided on a lease or loan basis only and shall be returned upon completion of the operation for which it was provided;

''(D) Antiterrorism assistance (including Chapter 8 of Part II of this Act relating to antiterrorism assistance) or any provision of law available for antitorrism assistance purposes.

''(3) The restrictions of this subsection shall continue to apply to contracts for the delivery of F–16 aircraft to Pakistan.

''(4) Notwithstanding the restrictions contained in this subsection, military equipment, technology, or defense services, other than F–16 aircraft, may be transferred to Pakistan pursuant to contracts or cases entered into before October 1, 1990.''; and

(2) by adding at the end the following new subsections:

''(f) STORAGE COSTS.—The President may release the Government of Pakistan of its contractual obligation to pay the United States Government for the storage costs of items purchased prior to October 1, 1990, but not delivered by the United States Government pursuant to subsection (e) and may reimburse the Government of Pakistan for any such amount paid, on such terms and conditions as the President may prescribe: Provided, That such payments have no budgetary impact.

''(g) INAPPLICABILITY OF RESTRICTIONS TO PREVIOUSLY OWNED ITEMS.—Section 620E(e) does not apply to broken, worn or unupgraded items or their equivalent which Pakistan paid for and took possession of prior to October 1, 1990 and which the Government of Pakistan sent to the Unite States for repair or upgrade. Such equipment or its equivalent may be returned to the Government of Pakistan: Provided, That the President determines and so certifies to the appropriate congressional committees that such equipment or equivalent neither constitutes nor has received any significant qualitative upgrade since being transferred to the United States and that its total value does not exceed $25,000,000.

''(h) BALLISTIC MISSILE SANCTIONS NOT AFFECTED.—Nothing contained herein shall affect sanctions for transfers of missile equipment or technology required under section 11B of the Export Administration Act of 1979 or section 73 of the Arms Export Control Act.''.

And the Senate agree to the same.

Amendment numbered 147:

That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

SEC. 562. (a) IN GENERAL.—None of the funds made available in this Act may be used for assistance in support of any country when it is made known to the President that the government of such country prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance.

(b) EXCEPTION.—Funds may be made available with regard to the restrictions in subsection (a) if the President determines that to do so is in the national security interest of the United States.

And the Senate agree to the same.

Amendment numbered 152:

That the House recede from its disagreement to the amendment of the Senate numbered 152, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

(b) EXCEPTIONS.—The requirement of subsection (a) to withhold assistance shall not apply with respect to—

(1) assistance to meet urgent humanitarian needs including disaster and refugee relief;

(2) democratic political reform and rule of law activities;

(3) the creation of private sector and nongovernmental organizations that are independent of government control;

(4) the development of a free market economic system; and

(5) assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160).

And the Senate agree to the same.

Amendment numbered 155:

That the House recede from its disagreement to the amendment of the Senate numbered 155, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

LIMITATION ON ASSISTANCE TO TURKEY

SEC. 568. Not more than $33,500,000 of the funds appropriated in this Act under the heading ''Economic Support Fund'' may be made available to the Government of Turkey.

And the Senate agree to the same.

Amendment numbered 156:

That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

LIMITATION OF FUNDS FOR NORTH AMERICAN DEVELOPMENT BANK

SEC. 568A. None of the funds appropriated in this Act under the heading ''North American Development Bank'' and made available for the Community Adjustment and Investment Program shall be used for purposes other than those set out in the binational agreement establishing the Bank.

And the Senate agree to the same.

Amendment numbered 158:

That the House recede from its disagreement to the amendment of the Senate numbered 158, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

ASIAN DEVELOPMENT BANK

SEC. 571. The Secretary of the Treasury may, to fulfill commitments of the United States, subscribe to and make payments for shares of the Asian Development Bank in connection with the fourth general capital increase of the Bank. The

amount authorized to be appropriated for paid-in shares of the Bank is limited to $66,614,647; the amount authorized to be appropriated for payment for callable shares of the Bank is limited to $3,264,178,021. The amount to be paid in respect of each subscription is authorized to be appropriated without fiscal year limitation. Any subscription by the United States to the capital stock of the Bank shall be effective only to such extent or in such amounts as are provided in advance inappropriations Acts.

INTERNATIONAL DEVELOPMENT ASSOCIATION

SEC. 572. In order to pay for the United States contribution to the tenth replenishment of the resources of the International Development Association authorized in section 526 of Public Law 103–87, there is authorized to be appropriated, without fiscal year limitation, $700,000,000 for payment by the Secretary of the Treasury.

And the Senate agree to the same.

Amendment numbered 159:

That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 573. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

(1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961; or

(2) credits extended or guarantees issued under the Arms Export Control Act.

(b) LIMITATIONS.—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief and referendum agreements, commonly referred to as ''Paris Club Agreed Minutes''.

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as ''IDA-only' countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

(1) does not have an excessive level of military expenditures;

(2) has not repeatedly provided support for acts of international terrorism;

(3) is not failing to cooperate on international narcotics control matters;

(4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, fiscal years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt Restructuring''.

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 574. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid or such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with section 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in Section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATION.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President shall consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt Restructuring''.

And the Senate agree to the same.

Amendment numbered 165:

That the House recede from its disagreement to the amendment of the Senate numbered 165, and agree to the same with an amendment, as follows:

In lieu of the section designation of said amendment, insert: *Sec. 575.*; and the Senate agree to the same.

Amendment numbered 167:

That the House recede from its disagreement to the amendment of the Senate numbered 167, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

LIBERIA

SEC. 576. (a) Public Law 102–270 is amended—

(1) in subsection (b) by striking ''Notwithstanding section 620(q) of the Foreign Assistance Act of 1961 or any other similar provision, the'' and inserting ''The''; and

(2) in subsection (b)(2) by striking ''to implement the Yamoussoukro peace accord''.

(b) Funds appropriated by this Act may be made available for assistance for Liberia notwithstanding section 620(q) of the Foreign Assistance Act of 1961 and section 512 of this Act.

And the Senate agree to the same.

Amendment numbered 168:

That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

ANNUAL REPORT ON ECONOMIC AND SOCIAL GROWTH

SEC. 577. (a) REPORTING REQUIREMENT.—The President shall submit to the appropriate congressional committees an annual report providing a concise overview of the prospects for economic and social growth on a broad, equitable, and sustainable basis in the countries receiving economic assistance under title II of this Act. For each country, the report shall discuss the laws, policies and practices of that country that most contribute to or detract from the achievement of this kind of growth. The report should address relevant macroeconomic, microeconomic, social, legal, environmental, and political factors and include criteria regarding wage and price controls, State ownership of production and distribution, State control of financial institutions, trade and foreign investment, capital and profit repatriation, tax and private property protection and a country's commitment to stimulate education, health and human development.

(b) COUNTRIES.—The countries referred to in subsection (a) are countries—

(1) for which in excess of $5,000,000 has been obligated during the previous fiscal year for assistance under sections 103 through 106, chapter 10 and 11 of part I, and chapter 4 of part II of the Foreign Assistance of 1961, and under the Support for East European Democracy Act of 1989; or

(2) for which in excess of $1,000,000 has been obligated during the previous fiscal year by the Overseas Private Investment Corporation.

(c) CONSULTATION.—The Secretary of State shall submit the report required by subsection (a) in consultation with the Secretary of the Treasury, the Administrator of the Agency for International Development, and the President of the Overseas Private Investment Corporation. The report shall be submitted with the annual congressional presentation for appropriations.

And the Senate agree to the same.

Amendment numbered 169:

That the House recede from its disagreement to the amendment of the Senate numbered 169, and agree to the same with an amendment, as follows:

In lieu of the section designation of said amendment, insert: *Sec. 578.*; and the Senate agree to the same.

Amendment numbered 171:

That the House recede from its disagreement to the amendment of the Senate numbered 171, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

REPORTS REGARDING HONG KONG

SEC. 579. (a) Section 301 of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5731) is amended in the text above paragraph (1) by inserting ''March 31, 1996,'' after ''March 31, 1995,''.

(b) In light of the deficiencies in reports submitted to the Congress pursuant to section 301 of the United States-Hong Kong Policy Act (22 U.S.C. 5731), the Congress directs that the additional report required to be submitted under such section by subsection (a) of this section include detailed information on the status of, and other developments affecting, implementation of the Sino-British Joint Declaration on the Question of Hong Kong, including—

(1) the Basic Law and its consistency with the Joint Declaration;

(2) the openness and fairness of elections to the legislature;

(3) the openness and fairness of the election of the chief executive and the executive's accountability to the legislature;

(4) the treatment of political parties;

(5) the independence of the judiciary and its ability to exercise the power of final judgment over Hong Kong law; and

(6) the Bill of Rights.

And the Senate agree to the same.

Amendment numbered 175:

That the House recede from its disagreement to the amendment of the Senate numbered 175, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 580. Notwithstanding any other provision of the Act, $20,000,000 of the funds made available under the headings ''Development Assistance'' and/or ''Economic Support Fund'' may be transferred to, and merged with, the appropriations account entitled ''International Narcotics Control'' and may be available for the same purposes for which funds in such account are available.

And the Senate agree to the same.

Amendment numbered 176:

That the House recede from its disagreement to the amendment of the Senate numbered 176, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

GUATEMALA

SEC. 581. (a) Funds provided in this Act may be made available for the Guatemalan military or security forces, and the restrictions on Guatemala under the headings ''International Military Education and Training'' and ''Foreign Military Financing Program'' shall not apply, only if the President determines and certifies to the Congress that the Guatemalan military is cooperating with efforts to resolve human rights abuses which elements of the Guatemalan military or security forces are alleged to have committed, ordered or attempted to thwart the investigation of.

(b) The prohibition contained in subsection (a) shall not apply to funds made available to implement a cease-fire or peace agreement.

(c) Any funds made available pursuant to subsections (a) or (b) shall be subject to the regular notification procedures of the Committees on Appropriations.

(d) Any funds made available pursuant to subsections (a) and (b) for international military education and training may only be for expanded international military education and training.

And the Senate agree to the same.

Amendment numbered 181:

That the House recede from its disagreement to the amendment of the Senate numbered 181, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

EXTENSION OF TIED AID CREDIT PROGRAM

SEC. 582. (a) Section 10(c)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i–3(c)(2) is amended by striking ''1995'' and inserting ''1997''.

(b) Section 10(e) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i-3(e)) is amended by striking ''1993, 1994, and 1995'' and inserting ''1996 and 1997''.

And the Senate agree to the same.

Amendment numbered 182:

That the House recede from its disagreement to the amendment of the Senate numbered 182, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

MORATORIUM ON USE OF ANTIPERSONNEL LANDMINES

SEC. 583. (a) UNITED STATES MORATORIUM.—For a period of one year beginning three years after the date of enactment of this Act, the United States shall not use antipersonnel landmines except along internationally recognized national borders or in demilitarized zones within a perimeter marked area that is monitored by military personnel and protected by adequate means to ensure the exclusion of civilians.

(b) DEFINITION AND EXEMPTIONS.—For the purposes of this section:

(1) ANTIPERSONNEL LANDMINE.—The term ''antipersonnel landmine'' means any munition placed under, on, or near the ground or other surface area, delivered by artillery, rocket, mortar, or similar means, or dropped from an aircraft and which is designed, constructed or adapted to be detonated or exploded by the presence, proximity, or contact of a person.

(2) EXEMPTIONS.—the term ''antipersonnel landmine'' does not include command detonated Claymore munitions.

And the Senate agree to the same.

Amendment numbered 183:

That the House recede from its disagreement to the amendment of the Senate numbered 183, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

EXTENSION OF AU PAIR PROGRAMS

SEC. 584. Section 8 of the Eisenhower Exchange Fellowship Act of 1990 is amended in the last sentence by striking ''fiscal year 1995'' and inserting ''fiscal year 1996''.

And the Senate agree to the same.

Amendment numbered 186:

That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

SANCTIONS AGAINST COUNTRIES HARBORING WAR CRIMINALS

SEC. 585. (a) BILATERAL ASSISTANCE.—Funds appropriated by this Act under the Foreign Assistance Act of 1961 or the Arms Export Control Act may not be provided for any country described in subsection (c).

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of financing or financial or technical assistance to any country described in subsection (c).

(c) SANCTIONED COUNTRIES.—A country described in this subsection is a country the government of which knowingly grants sanctuary to persons in its territory for the purpose of evading prosecution, where such persons—

(1) have been indicted by the International Criminal Tribunal for the former Yugoslavia, the International Criminal Tribunal for Rwanda, or any other international tribunal with similar standing under international law, or

(2) have been indicted for war crimes or crimes against humanity committed during the period beginning March 23, 1933 and ending on May 8, 1945 under the direction of, or in association with—

(A) the Nazi government of Germany;

(B) any government in any area occupied by the military forces of the Nazi government of Germany;

(C) any government which was established with the assistance or cooperation of the Nazi government; or

(D) any government which was an ally of the Nazi government of Germany.

And the Senate agree to the same.

Amendment numbered 189:

That the House recede from its disagreement to the amendment of the Senate numbered 189, and agree to the same with an amendment, as follows:

LIMITATION ON ASSISTANCE FOR HAITI

SEC. 586. (a) LIMITATION.—None of the funds appropriated or otherwise made available by this Act, may be provided to the Government of Haiti until the President reports to Congress that—

(1) the Government is conducting thorough investigations of extrajudicial and political killings; and

(2) the Government is cooperating with U.S. authorities in the investigations of political and extrajudicial killings.

(b) Nothing in this section shall be construed to restrict the provision of humanitarian or electoral assistance.

(c) The President may waive the requirements of this section if he determines and certifies to the appropriate committees of Congress that it is in the national interest of the United States or necessary to assure the safe and timely withdrawal of American forces from Haiti.

And the Senate agree to the same.

Amendment numbered 190:

That the House recede from its disagreement to the amendment of the Senate numbered 190, and agree to the same with an amendment, as follows:

In lieu of the section designation of said amendment, insert: *SEC. 587.* ; and the Senate agree to the same.

Amendment numbered 192:

That the House recede from its disagreement to the amendment of the Senate numbered 192, and agree to the same with an amendment, as follows:

In lieu of the section designation of said amendment, insert:

NATO PARTICIPATION

SEC. 588. REVISIONS TO PROGRAM TO FACILITATE TRANSITION TO NATO MEMBERSHIP.—

(a) ELIGIBLE COUNTIES.—Subsection (d) of section 203 of the NATO Participation Act of 1994 (title II of Public Law 103–447; 22 U.S.C. 1928 note) is amended to read as follows:

''(d) DESIGNATION OF ELIGIBLE COUNTRIES.—

''(1) INITIAL PRESIDENTIAL REVIEW AND DESIGNATION.—Within 60 days of the enactment of the NATO Participation Act Amendments of 1995, the President should evaluate the degree to which any country emerging from communist domination which has expressed its interest in joining NATO meets the criteria set forth in paragraph (3), and may designate one or more of these countries as eligible to receive assistance under the program established under subsection (a). The President shall, at the time of designation of any country pursuant to this paragraph, determine and report to the Committees on International Relations and Appropriations of the House of Representatives and the Committees on Foreign Relations and Appropriations of the Senate with respect to each country so designated that such country meets the criteria set forth in paragraph (3).

''(2) OTHER EUROPEAN COUNTRIES EMERGING FROM COMMUNIST DOMINATION.—In addition to the countries designated pursuant to paragraph (1), the President may at any time designate other European countries emerging from communist domination as eligible to receive assistance under the program established under subsection (a). The President shall, at the time of designation of any country pursuant to this paragraph, determine and report to the Committees on International Relations and Appropriations of the House of Representatives and the

Committees on Foreign Relations and Appropriations of the Senate with respect to each country so designated that such country meets the criteria set forth in paragraph (3).

''(3) CRITERIA.—The criteria referred to in paragraphs (1) and (2) are, with respect to each country, that the country—

''(A) has made significant progress toward establishing—

''(i) shared values and interests;

''(ii) democratic governments;

''(iii) free market economies;

''(iv) civilian control of the military, of the police, and of intelligence service, so that these organizations do not pose a threat to democratic institutions, neighboring countries, or the security of NATO or the United States;

''(v) adherence to the rule of law and to the values, principles, and political commitments set forth in the Helsinki Final Act and other declarations by the members of the Organization on Security and Cooperation in Europe;

''(vi) commitment to further the principles of NATO and to contribute to the security of the North Atlantic area.

''(vii) commitment to protecting the rights of all their citizens and respecting the territorial integrity of their neighbors;

''(viii) commitment and ability to accept the obligations, responsibilities, and costs of NATO membership; and

''(ix) commitment and ability to implement infrastructure development activities they will facilitate participation in and support for NATO military activities;

''(B) is likely, within five years of such determination, to be in a position to further the principles of the North Atlantic Treaty and to contribute to the security of the North Atlantic area; and

''(C) is not ineligible to receive assistance under section 552 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996, with respect to transfers of equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act.''.

(2) CONFORMING AMENDMENTS.—

(A) Subsections (b) and (c) of section 203 of such Act are amended by striking ''countries described in such subsection'' each of the two places it appears and inserting ''countries designated under subsection (d)''.

(B) Subsection (e) of section 203 of such Act is amended by inserting ''(22 U.S.C. 2394–1), and shall include with such notification a memorandum of justification with respect to the proposed designation'' before the period at the end.

(b) TYPES OF ASSISTANCE.—Section 203(c) of such Act is amended by inserting after paragraph (4) the following new paragraphs:

''(5) Assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the Economic Support Fund).

''(6) Funds appropriated under the ''Nonproliferation and Disarmament Fund'' account.

''(7) Assistance under chapter 6 of part II of the Foreign Assistance Act of 1961 (relating to peacekeeping operations and other programs).

''(8) Notwithstanding any other provision of law, including any restrictions in sections 516 and 519 of the Foreign Assistance Act of 1961, as amended, the President may direct the crating, packing, handling, and transportation of excess defense articles provided pursuant to paragraphs (1) and (2) of this subsection without charge to the recipient of such articles.''

(c) EFFECT ON OTHER AUTHORITIES.—Section 203 of the NATO Participation Act of 1994 (Title II of Public Law 103–447, 22 U.S.C. 1928 note), is amended to add a new subsection (g) to read as follows:

''(g) EFFECT ON OTHER AUTHORITIES.—Nothing in this Act shall affect the eligibility of countries to participate under other provisions of law in programs described in this Act.''.

(d) ANNUAL REPORT.—Section 205 of the NATO Participation Act of 1994 (title II of Public Law 103–447; 22 U.S.C. 1928 note) is amended:

(1) by inserting ''ANNUAL'' in the section heading before the first word;

(2) by inserting ''annual'' after ''include in the'' in the matter preceding paragraph (1); and

(3) in paragraphs (1) and (2), by striking ''and other '' and all that follows through the period at the end in both instances inserting in lieu thereof ''and any other country designated by the President pursuant to section 203(d).''.

TITLE VI—MIDDLE EAST PEACE FACILITATION ACT OF 1995

SHORT TITLE

SEC. 601. This title may be cited as the ''Middle East Peace Facilitation Act of 1995''.

FINDINGS

SEC. 602. The Congress finds that—

(1) the Palestine Liberation Organization (hereafter the ''P.L.O.'') has recognized the State of Israel's right to exist in peace and security, accepted United Nations Security Council Resolutions 242 and 338, committed itself to the peace process and peaceful coexistence with Israel, free from violence and all other acts which endanger peace and stability, and assumed responsibility over all P.L.O. elements and personnel in order to assure their compliance, prevent violations, and discipline violators;

(2) Israel has recognized the P.L.O. as the representative of the Palestinian people;

(3) Israel and the P.L.O. signed a Declaration of Principles on Interim Self-Government Arrangements (hereafter the ''Declaration of Principles'') on September 13, 1993 at the White House;

(4) Israel and the P.L.O. signed an Agreement on the Gaza Strip and the Jericho Area (hereafter the ''Gaza-Jericho Agreement'') on May 4, 1994 which established a Palestinian Authority for the Gaza and Jericho areas;

(5) Israel and the P.L.O. signed an Agreement on Preparatory Transfer of Powers and Responsibilities (hereafter the ''Early Empowerment Agreement'') on August 29, 1994 which provided for the transfer to the Palestinian Authority of certain powers and responsibilities in the West Bank outside of the Jericho Area;

(6) under the terms of the Israeli-Palestinian Interim Agreement on the West Bank and Gaza (hereafter the ''Interim Agreement) signed on September 28, 1995, the Declaration of Principles, the Gaza-Jericho Agreement and the Early Empowerment Agreement, the powers and responsibilities of the Palestinian Authority are to be assumed by an elected Palestinian Council with jurisdiction in the West Bank and Gaza Strip in accordance with the Interim Agreement;

(7) permanent status negotiations relating to the West Bank and Gaza Strip are scheduled to begin by May 1996;

(8) the Congress has, since the conclusion of the Declaration of Principles and the P.L.O.'s renunciation of terrorism, provided authorities to the President to suspend certain statutory restrictions relating to the P.L.O., subject to Presidential certifications that the P.L.O. has continued to abide by commitments made in and in connection with or resulting from the good faith implementation of, the Declaration of Principles;

(9) the P.L.O. commitments relevant to Presidential certifications have included commitments to renounce and condemn terrorism, to submit to the Palestinian National Council for former approval the necessary changes to those articles of the Palestinian Covenant which call for Israel's destruction, and to prevent acts of terrorism and hostilities against Israel; and

(10) the United States is resolute in its determination to ensure that in providing assistance to Palestinians living under the jurisdiction of the Palestinian Authority or elsewhere, the beneficiaries of such assistance shall be held to the same standard of financial accountability and management control as any other recipient of United States assistance.

SENSE OF CONGRESS

SEC. 603. It is the sense of the Congress that the P.L.O. must do far more to demonstrate an irrevocable denunciation of terrorism and ensure a peaceful settlement of the Middle East dispute, and in particular it must—

(1) submit to the Palestinian National Council for formal approval the necessary changes to those articles of the Palestinian National Covenant which call for Israel's destruction;

(2) make greater efforts to pre-empt acts of terror, discipline violators and contribute to stemming the violence that has resulted in the deaths of over 140 Israeli and United States citizens since the signing of the Declaration of Principles;

(3) prohibit participation in its activities and in the Palestinian Authority and its successors by any groups or individuals which continue to promote and commit acts of terrorism;

(4) cease all anti-Israel rhetoric, which potentially undermines the peace process;

(5) confiscate all unlicensed weapons;

(6) transfer and cooperate in transfer proceedings relating to any person accused by Israel to acts of terrorism; and

(7) respect civil liberties, human rights and democratic norms.

AUTHORITY TO SUSPEND CERTAIN PROVISIONS

SEC. 604. (a) IN GENERAL.—Subject to subsection (b), beginning on the date of enactment of this Act and for eighteen months thereafter, the President may suspend for a period of not more than 6 months at a time any provision of law specified in subsection (d). Any such suspension shall cease to be effective after 6 months, or at such earlier date as the President may specify.

(b) CONDITIONS.—

(1) CONSULTATIONS.—Prior to each exercise of the authority provided in subsection (a) or certification pursuant to subsection (c), the President shall consult with the relevant congressional committees. The President may not exercise that authority or make such certification until 30 days after a written policy justification is submitted to the relevant congressional committees.

(2) PRESIDENTIAL CERTIFICATION.—The President may exercise the authority provided in subsection (a) only if the President certifies to the relevant congressional committees each time he exercises such authority that—

(A) it is in the national interest of the United States to exercise such authority;

(B) the P.L.O., the Palestinian Authority, and successor entities are complying with all the commitments described in paragraph (4); and

(C) funds provided pursuant to the exercise of this authority and the authorities under section 583(a) of Public Law 103–236 and section 3(a) of Public Law 103–125 have been used for the purposes for which they were intended.

(3) REQUIREMENT FOR CONTINUING P.L.O. COMPLIANCE.—(A) The President shall ensure that P.L.O. performance is continuously monitored and if the President at any time determines that the P.L.O. has not continued to comply with all the commitments described in paragraph (4), he shall so notify the relevant congressional committees and any suspension under subsection (a) of a provision of law specified in subsection (d) shall cease to be effective.

(B) Beginning six months after the date of enactment of this Act, if the President on the basis of the continuous monitoring of the P.L.O.'s performance determines that the P.L.O. is not complying with the requirements described in subsection (c), he shall notify the relevant congressional committees and no assistance shall be provided pursuant to the exercise by the President of the authority provided by subsection (a) until such time as the President makes the certification provided for in subsection (c).

(4) P.L.O. COMMITMENTS DESCRIBED.—The commitments referred to in paragraphs (2)(B) and (3)(A) are the commitments made by the P.L.O.—

(A) in its letter of September 9, 1993, to the Prime Minister of Israel; in its letter of September 9, 1993, to the Foreign Minister of Norway to—

(i) recognize the right of the State of Israel to exist in peace and security;

(ii) accept United Nations Security Council Resolutions 242 and 338;

(iii) renounce the use of terrorism and other acts of violence;

(iv) assume responsibility over all P.L.O. elements and personnel in order to assure their compliance, prevent violations and discipline violators;

(v) call upon the Palestinian people in the West Bank and Gaza Strip to take part in the steps leading to the normalization of life, rejecting violence and terrorism, and contributing to peace and stability; and

(vi) submit to the Palestinian National Council for formal approval the necessary changes to the Palestinian National Covenant eliminating calls for Israel's destruction, and

(B) in, and resulting from, the good faith implementation of the Declaration of Principles, including good faith implementation of subsequent agreements with Israel, with particular attention to the objective of preventing terrorism, as reflected in the provisions of the Interim Agreement concerning—

(i) prevention of acts of terrorism and legal measures against terrorists, including the arrest and prosecution of individuals suspected of perpetrating acts of violence and terror;

(ii) abstention from and prevention of incitement, including hostile propaganda;

(iii) operation of armed forces other than the Palestinian Police;

(iv) possession, manufacture, sale, acquisition or importation of weapons;

(v) employment of police who have been convicted of serious crimes or have been found to be actively involved in terrorist activities subsequent to their employment;

(vi) transfers to Israel of individuals suspected of, charged with, or convicted of an offense that falls within Israeli criminal jurisdiction;

(vii) cooperation with the government of Israel in criminal matters, including cooperation in the conduct of investigations; and

(viii) exercise of powers and responsibilities under the agreement with due regard to internationally accepted norms and principles of human rights and the rule of law.

(5) POLICY JUSTIFICATION.—As part of the President's written policy justification to be submitted to the relevant Congressional Committees pursuant to paragraph (1), the President will report on—

(A) the manner in which the P.L.O. has complied with the commitments specified in paragraph (4), including responses to individual acts of terrorism and violence, actions to discipline perpetrators of terror and violence, and actions to preempt acts of terror and violence;

(B) the extent to which the P.L.O. has fulfilled the requirements specified in subsection (c);

(C) actions that the P.L.O. has taken with regard to the Arab League boycott of Israel;

(D) the status and activities of the P.L.O. office in the United States;

(E) all United States assistance which benefits, directly or indirectly, the projects, programs, or activities of the Palestinian Authority in Gaza, Jericho, or any other area it may control, since September 13, 1993, including—

(i) the obligation and disbursal of such assistance, by project, activity, and date, as well as by prime contractor and all subcontractors;

(ii) the organizations or individuals responsible for the receipt and obligation of such assistance;

(iii) the intended beneficiaries of such assistance; and

(iv) the amount of international donor funds that benefit the P.L.O. or the Palestinian Authority in Gaza, Jericho, or any other area the P.L.O. or the Palestinian Authority may control, and to which the United States is a contributor; and

(F) statements by senior official of the P.L.O., the Palestinian Authority, and successor entities that question the right of Israel to exist or urge armed conflict with or terrorism against Israel or its citizens, including an assessment of the degree to which such statements reflect official policy of the P.L.O., the Palestinian Authority, or successor entities.

(c) REQUIREMENT FOR CONTINUED PROVISION OF ASSISTANCE.—Six months after the enactment of this Act, United States assistance shall not be provided pursuant to the exercise by the President of the authority provided by subsection (a), unless and until the President determines and so certifies to the Congress that—

(1) if the Palestinian Council has been elected and assumed its responsibilities, it has, within 2 months, effectively disavowed and thereby nullified the articles of the Palestine National Covenant which call for Israel's destruction, unless the necessary changes to the Covenant have already been approved by the Palestine National Council;

(2) the P.L.O., the Palestinian Authority, and successor entities have exercised their authority resolutely to establish the necessary enforcement institutions; including laws, police, and a judicial system, for apprehending, transferring, prosecuting, convicting, and imprisoning terrorists;

(3) the P.L.O., has limited participation in the Palestinian Authority and its successors to individuals and groups that neither engage in nor practice terrorism or violence in the implementation of their political goals;

(4) the P.L.O., the Palestinian Authority, and successor entities have not provided any financial or material assistance, or training to any group, whether or not affiliated with the P.L.O., to carry out actions inconsistent with the Declaration of Principles, particularly acts of terrorism against Israel;

(5) the P.L.O., the Palestinian Authority, or successor entities have cooperated in good faith with Israeli authorities in—

(A) the preemption of acts of terrorism;

(B) the apprehension, trial, and punishment of individuals who have planned or committed terrorist acts subject to the jurisdiction of the Palestinian Authority or any successor entity; and

(C) the apprehension of and transfer to Israeli authorities of individual suspected of, charged with, or convicted of, planning or committing terrorist acts subject to Israeli jurisdiction in accordance with the specific provisions of the Interim Agreement;

(6) the P.L.O., the Palestinian Authority, and successor entities have exercised their authority resolutely to enact and implement laws requiring the disarming of civilians not specifically licensed to possess or carry weapons;

(7) the P.L.O., the Palestinian Authority, and successor entities have not funded, either partially or wholly, or have ceased funding, either partially or wholly, any office, or other presence of the Palestinian Authority in Jerusalem unless established by specific agreement between Israel and the P.L.O., the Palestinian Authority, or successor entities;

(8) the P.L.O., the Palestinian Authority, and successor entities are cooperating fully with the Government of the United States on the provision of information on United States nationals known to have been held at any time by the P.L.O. or factions thereof; and

(9) the P.L.O., the Palestinian Authority, and successor entities have not, without the agreement of the Government of Israel, taken any steps that will change the status of Jerusalem or the West Bank and Gaza Strip, pending the outcome of the permanent status negotiations.

(d) PROVISIONS THAT MAY BE SUSPENDED.—The provisions that may be suspended under the authority of subsection (a) are the following:

(1) Section 307 of the Foreign Assistance Act of 1961 (22 U.S.C. 2227) as it applies with respect to the P.L.O. or entities associated with it.

(2) Section 114 of the Department of State Authorization Act, fiscal years 1984 and 1985 (22 U.S.C. 287e note) as it applies with respect to the P.L.O. or entities associated with it.

(3) Section 1003 of the Foreign Relations Authorization Act, fiscal years 1988 and 1989 (22 U.S.C. 5202).

(4) Section 37 of the Bretton Woods Agreement Act (22 U.S.C. 286W) as it applies on the granting to the P.L.O. of observer status or other official status at any meeting sponsored by or associated with the International Monetary Fund. As used in this paragraph, the term ''other official status'' does not include membership in the International Monetary Fund.

(e) DEFINITIONS.—As used in this title:

(1) RELEVANT CONGRESSIONAL COMMITTEES.—The term ''relevant congressional committees'' mean—

(A) the Committee on International Relations, the Committee on Banking and Financial Services, and the Committee on Appropriations of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(2) UNITED STATES ASSISTANCE.—The term ''United States assistance'' means any form of grant, loan, loan guarantee, credit, insurance, in kind assistance, or any other form of assistance.

TRANSITION PROVISION

SEC. 605. (a) IN GENERAL.—Section 583(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236) is amended by striking ''November 1, 1995'' and insert ''January 1, 1996''.

(b) CONSULTATION.—For purposes of any exercise of the authority provided in section 583(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236) prior to November 15, 1995, the written policy justification dated June 1, 1995, and submitted to the Congress in accordance with section 583(b)(1) of such Act, and the consultations associated with such policy justification, shall be deemed to satisfy the requirements of section 583(b)(1) of such Act.

REPORTING REQUIREMENT

SEC. 606. Section 804(b) of the PLO Commitments Compliance Act of 1989 (title VIII of Public Law 101–246) is amended—

(1) in the matter preceding paragraph (1), by striking ''section (3)(b)(1) of the Middle East Peace Facilitation Act of 1994'' and inserting ''section 604(b)(1) of the Middle East Peace Facilitation Act of 1995''; and

(2) in paragraph (1), by striking ''section (4)(a) of the Middle East Peace Facilitation Act of 1994 (Oslo commitments)'' and inserting ''section 604(b)(4) of the Middle East Peace Facilitation Act of 1995''.

And the Senate agreed to the same.

The committee of conference report in disagreement amendment numbered 115.

SONNY CALLAHAN,
JOHN EDWARD PORTER,
BOB LIVINGSTON,
JIM LIGHTFOOT,
FRANK R. WOLF,
RON PACKARD,
JOE KNOLLENBERG,
MICHAEL FORBES,
JIM BUNN,
CHARLES WILSON,
SIDNEY R. YATES,
NANCY PELOSI,
ESTEBAN E. TORRES,
DAVID OBEY.

Managers on the part of the House.

MITCH MCCONNELL,
ARLEN SPECTER,
CONNIE MACK,
JAMES M. JEFFORDS,
JUDD GREGG,
RICHARD SHELBY,
ROBERT F. BENNETT,
MARK O. HATFIELD,
PATRICK LEAHY,
DANIEL K. INOUYE,

FRANK R. LAUTENBERG,
TOM HARKIN,
BARBARA A. MIKULSKI,
PATTY MURRAY,
ROBERT C. BYRD.
Managers on the part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1868) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

SUBSIDY APPROPRIATION

Amendment No. 1: Appropriates $786,551,000 for the subsidy appropriation of the Export-Import Bank as proposed by the House instead of $795,000,000 as proposed by the Senate. Deletes language proposed by the Senate relating to the proposed relocation of the Agency for International Development to the building at the Federal Triangle. This matter is addressed in amendment No. 31.

EXPORT-IMPORT BANK OF THE UNITED STATES

ADMINISTRATIVE EXPENSES

Amendment No. 2: Appropriates $45,614,000 for the administrative expenses of the Export-Import Bank instead of $45,228,000 as proposed by the House and $46,000,000 as proposed by the Senate.

OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCREDIT ACCOUNT

Amendment No. 3: Deletes Senate limitation of $20,000 for official reception and representation expenses and restores House limitation of $35,000.

OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCEDIT ACCOUNT

Amendment No. 4: Inserts Senate limitation of $26,000,000 for administrative expenses for the Overseas Private Investment Corporation instead of House limitation of $26,500,000.

OVERSEAS PRIVATE INVESTMENT CORPORATION

PROGRAM ACCOUNT

Amendment No. 5: Appropriates $72,000,000 for the costs of direct and guaranteed loans instead of $69,500,000 as proposed by the House and $79,000,000 as proposed by the Senate.

OVERSEAS PRIVATE INVESTMENT CORPORATION

PROGRAM ACCOUNT

Amendment No. 6: Deletes Senate language which allowed for the transfer of funds from the OPIC noncredit account in order to fund program activities. The House language provides for an appropriation from the general fund of the Treasury.

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL FINANCE CORPORATION

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

Amendment No. 7: Deletes House language providing appropriations for the International Finance Corporations and for the Contribution to the Enterprise for the Americas Multilateral Investment Fund. These matters are addressed in amendments no. 79, 82, and 88.

TITLE II—BILATERAL ECONOMIC ASSISTANCE FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS

Amendment No. 8: Inserts language providing that not less than $484,000,000 of the funds appropriated in title II, and in title IV under ''International Organizations and Programs'', shall be available for Child Survival and Disease Programs. The House had proposed an appropriation of $592,660,000 for a ''Children and Disease Programs Fund''. The Senate bill contained no provision on this matter.

The managers support the maintenance of child survival ($300,000,000), infectious disease programs, and funding for UNICEF ($100,000,000), as indicated in the House report. In addition to funding for child survival programs included in the earmark in the conference agreement, $30,000,000 would be available from ''International Disaster Assistance'' and $16,000,000 would be provided from ''Economic Support Fund'' for programs in Egypt.

The managers support the House and Senate report language regarding the need for targeted polio eradication efforts, and recommend that $20,000,000 be made available for purchase and delivery of polio vaccines. The managers urge that funding for HIV/AIDS be maintained at the current level.

The conferees believe that basic education programs are essential both to the well-being of the world's children and to achieving the long-term economic goals of economic growth and trade. In particular, girls' education has multiple benefits, including improved child survival and overall family health. The conferees define basic education to include early childhood and primary education. The conferees strongly believe that strong support for these programs should be maintained and that $108,000,000 should be maintained for children's basic education programs.

DEVELOPMENT ASSISTANCE

Amendment No. 9: Inserts language designating a combined development assistance account ''Development Assistance'' instead of ''Development Assistance Fund'' as proposed by the House and ''Economic Assistance'' as proposed by the Senate.

Amendment No. 10: Appropriates $1,675,000,000 for ''Development Assistance''. The House had proposed that funding for development assistance activities by appropriated in three accounts, ''Development Assistance Fund'', ''Children and Disease Programs Fund'' and ''Development Fund for Africa''. The Senate proposed that development assistance activities, certain other activities, and non-Camp David funding from ''Economic Support Fund'' be appropriated in an account entitled ''Economic Assistance''. The conference agreement includes development assistance activities, including support for the Inter-American Foundation and the African Development Foundation, in one account and returns non-Camp David funding to ''Economic Support Fund''.

Funds are recommended for the continued participation of AID in the International Cooperative Biodiversity Group program at a level as close to the current level as possible.

The conferees continue to support the University Development Linkages Program. In addition, the conferees endorse the House report language regarding a proposal to establish an electronic interconnection involving colleges and universities in Latin America.

The conferees urge that the Office of Energy, Environment and Technology at AID be funded at the current level and recommend that AID continue funding for Office of Energy, Environment and Technology activities that promote power sector privatization, innovative technologies, renewable energy, and energy efficiency. The conferees reaffirm support for programs that promote economic development, reduce environmental pollution, and enhance United States industrial leadership in these areas.

The managers suggest that AID maintain the current dollar level of support for agriculture and agricultural research, including but not limited to, $20,000,000 for the collaborative research support program. Also, because of the importance of livestock to the economies of developing countries and to women-run households, the conferees urge AID to support appropriate livestock research.

The conferees urge AID to give a high priority to programs that directly support sustainable economic growth in developing countries. In that regard, the managers urge that AID expand efforts to institutionalize community participation at the local level through core support for organizations that promote self-governance. In addition, organizations such as the Institute for Liberty and Democracy can help stimulate private sector-led growth by helping to apply to other settings the experiences in Peru in generating economic growth through land titling, removal of cumbersome regulations on business, and guaranteeing security of investment.

The managers support the AID Economic Growth Center's emphasis on economic and institutional reform. The managers encourage the Growth Center to identify the most serious domestic government barriers preventing AID recipients from achieving high levels of growth and recommend that AID propose appropriate free-market solutions.

The managers endorse the House report language regarding the need to maintain development assistance support for Latin America.

The managers support funding for management and training programs with ports in the developing world. The conferees urge AID and the State Department to work with U.S. ports and private port organizations, such as the International Port Development Council, Inc., to leverage the skills and expertise of U.S. seaport managers to improve port infrastructure overseas. Bilateral port cooperation will expand U.S. trade opportunities and improve the ability of developing countries to participate in the modern, global economy.

The conferees reaffirm their strong support for U.S. assistance programs that recognize the central role played by women in fostering economic development. The conferees urge AID to sustain support for the Office of Women in Development, including the continued provision of funds from the NIS assistance program.

Amendment No. 11: Inserts language providing that funds for the Inter-American Foundation and the African Development Foundation shall be made available (and apportioned directly to said foundations) from funds appropriated in ''Development Assistance''. Up to $20,000,000 may be made available for the Inter-American Foundation and up to $11,500,000 may be made available for the African Development Foundation. Senate language on the proportionality of funds made available through the account is deleted.

The conference agreement also provides that up to $25,000,000 may be made available to implement section 667 of the Foreign Assistance Act, and that not less than 65 percent of the funds made available for family planning assistance shall be made available directly to the Agency for International Development's central Office of Population and

shall be programmed by that office for family planning activities. The Senate had proposed that not less than $350,000,000 be made available for the latter activities.

The conference agreement also includes Senate language regarding the relative funding levels for activities of private and voluntary organizations and cooperatives, but does not include Senate language requiring a reprogramming notification to waive such language. House language on this matter is addressed in amendment No. 21.

FAMILY PLANNING ASSISTANCE

Amendment No. 12: Inserts language that defines the term ''motivate'' for purposes of obligating funds available for family planning assistance. The conference agreement modifies Senate language by removing the words ''including abortion''. This change is not intended to narrow the scope of any of the pregnancy options included in last year's act. The House bill did not address this matter.

DEVELOPMENT FUND FOR AFRICA

Amendment No. 13: Deletes House language referring to the ''Development Fund for Africa''. The conference agreement does not include a separate appropriations account for this fund, and the reference is no longer necessary. This matter is further addressed in amendments no. 10, 11 and 17.

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Amendment No. 14: Inserts Senate language increasing the limitation on funds that may be transferred to ''International Organizations and Programs'' for a contribution to the International Fund for Agricultural Development from $15,000,000, as proposed by the House, to $30,000,000, as proposed by the Senate.

Amendment No. 15: Deletes Senate language regarding a prohibition on funds for Zaire and an earmark for the International Fertilizer Development Center. The prohibition on funding for Zaire is addressed in amendment no. 36.

The managers support funding for the center as proposed in the Senate amendment.

UNITED STATES TELECOMMUNICATIONS TRAINING INSTITUTE

Amendment No. 16: Inserts language providing that not less than $650,000 should be provided for support of the United States Telecommunications Training Institute. The Senate language would have mandated funding at $800,000. The House bill contained no provision on this matter.

DEVELOPMENT FUND FOR AFRICA

Amendment No. 17: Deletes House language providing for a separate ''Development Fund for Africa'' account. Funding for this purpose, and a statutory reference to ''Development Fund for Africa'', has been included in ''Development Assistance'' in amendments no. 10 and 11.

The merger of bilateral development assistance funding into a single appropriations account is designed to allow the Administration the flexibility to respond to changing priorities with fewer resources. However, it does not indicate a lessening of interest in Africa; the managers expect that a major portion of the resources provided in the ''Development Assistance'' account will be committed to programs in sub-Saharan Africa, and have included bill language to require the President to seek to ensure that the amount of funds available for Africa for development assistance in fiscal year 1996 is in substantially the same proportion to the total amount available for development assistance as the funding provided in fiscal year 1995. Activities in Africa should be managed under the authorities of chapter 10 of part I of the Foreign Assistance Act of 1961.

The managers anticipate that AID will continue the reforms undertaken under the Development Fund for Africa that focus its limited funds on a smaller number of countries where the governments are committed to development policies that will promote equitable and sustainable economic growth. Concurrently, the managers expect that Africa humanitarian resources will be managed in a way that promotes long-term development, as development resources are programmed to minimize short-term crises. The Greater Horn of Africa initiative is a good example of such an effort.

CYPRUS

Amendment No. 18: Inserts language earmarking $15,000,000 for Cyprus to be used only for scholarships, scholarship administrative costs, bicommunal projects, and measures aimed at reunification. The conference agreement is similar to Senate language, but allows for funds to be derived from both ''Development Assistance'' and ''Economic Support Fund'', and provides authority to use funds for administrative costs.

BURMA

Amendment No. 19: Inserts language providing that not less than $2,380,000 of the funds appropriated in ''Development Assistance'' and in ''Economic Support Fund'' will be available for programs in Burma. These funds would be used to strengthen democracy, support humanitarian assistance, and provide for support to a nongovernmental organization for a crop substitution project in Burma.

For the past two years, the conferees have urged the Administration to provide meaningful levels of assistance to refugees and exiles supporting the restoration of democracy in Burma. Although the Administration agreed in writing to obligate no less than $1,000,000 in such support for fiscal year 1995, the commitment to the Congress was not fulfilled.

The release of Daw Aung San Suu Kyi represents a unique opportunity to support initiatives to implement the results of the 1990 elections and strengthen free market principles and practices. The conferees have designated not less than $2,380,000 to support students, organizations, and ethnic groups, including the Karen, Karenni, and Kachin dedicated to these goals. The conferees direct AID and the Department of State, in consultation with the Congress, to prepare a report sixty days after enactment of this Act on a plan for the expenditure of these resources.

PRIVATE AND VOLUNTARY ORGANIZATIONS

Amendment No. 20: Inserts Senate language allowing the Administrator of AID to waive, on a case-by-case basis, the requirement that no funds may be made available to private and voluntary organizations which obtain less than 20 percent of total funding for international activities from sources other than the United States government. The managers agree such authority should only be used in emergency or extraordinary situations, and that the Administrator should report to the Committees on Appropriations each time the waiver is used.

Amendment No. 21: Restores House language stating that funds appropriated or otherwise made available under title II should be made available to private and voluntary organizations at a level which is equivalent to the level provided in fiscal year 1995. This matter is also addressed in amendment no. 11.

INTERNATIONAL DISASTER ASSISTANCE

Amendment No. 22: Appropriates $181,000,000 for disaster assistance instead of $200,000,000 as proposed by the House and $175,000,000 as proposed by the Senate in amendment no. 29.

The conference agreement also inserts Senate language (proposed in amendment no. 29) providing that $40,000,000 should be made available for emergency humanitarian assistance in the former Yugoslavia (of which not less than $6,000,000 shall be available only for Kosova) and modifies such language to allow these funds to come from any appropriations account within title II of this Act.

DEBT RESTRUCTURING

Amendment No. 23: Deletes Senate language earmarking funds for ''Debt restricting'' from ''Economic Assistance'', and restores House language providing for a direct appropriation of such funds.

Amendment No. 24: Appropriates $10,000,000 for ''Debt Restructuring'' instead of $7,000,000 as proposed by the House or earmarking such funds from ''Economic Assistance'' as proposed by the Senate. The conference agreement also restores House language allowing for debt restructuring of loans owed to the United States as a result of concessional loans made to eligible Latin American and Caribbean countries. The managers endorse the House report language regarding the need to reduce the debt burden on countries participating in debt restructuring, and expect individual reports on the expected new debt that would be assumed by any country proposed for such restructuring including the rationale justifying such additional debt.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

Amendment No. 25: Appropriates $1,500,000 for subsidy costs of micro and small enterprise development loans and $500,000 for administrative expenses as proposed by the House instead of earmarking such funds from ''Economic Assistance'' as proposed by the Senate.

Although the conferees have not designated a specific funding level for microenterprise lending programs, the conferees note a strong bipartisan commitment to these activities. The conferees support the program's emphasis on micro-loans for self-employment as a means to lift the poorest people from poverty. The conferees believe that these programs promote sustainable, market-based development at relatively little cost and deserve support substantially consistent with last year's level. The conferees urge AID, consistent with its Microenterprise Initiative, to allocate up to one-half of its microenterprise funds to poverty lending programs that provide loans of less than $300.

Amendment No. 26: Inserts Senate language allowing up to 70 percent of the principal amount of a micro loan to be guaranteed notwithstanding section 108 of the Foreign Assistance Act.

Amendment No. 27: Inserts Senate language making funds available for obligation until September 30, 1997.

HOUSING GUARANTY PROGRAM ACCOUNT

Amendment No. 28: Appropriates $4,000,000 for the subsidy cost of guaranteed loans. The House had proposed no funding for this purpose, and the Senate had proposed $8,000,000, to be derived from funds appropriated in ''Economic Assistance''. The conference agreement also includes $7,000,000 as proposed by the House for the administrative costs of the housing guaranty program, instead of earmarking such funds from ''Economic Assistance'' as proposed by the Senate.

INTERNATIONAL DISASTER ASSISTANCE AND ASSISTANCE TO PAKISTAN

Amendment No. 29: Deletes Senate language providing an appropriation of $175,000,000 for ''International Disaster Assistance'' and requiring that $40,000,000 of such funds should be made available for

emergency humanitarian assistance to the former Yugoslavia. These matters are addressed in amendment no. 22.

Also, deletes Senate language clarifying restrictions on assistance to Pakistan. This matter is addressed in amendment no. 145.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Amendment No. 30: Appropriates $465,750,000 for operating expenses of the Agency for International Development as proposed by the House instead of $490,000,000 as proposed by the Senate. The conferees expect the Committees on Appropriations to be informed any time prior to the exercise of the authority to use up to $25,000,000, as provided for under amendment no. 11, for purposes of section 667 of the Foreign Assistance Act.

Amendment No. 31: Inserts language proposed by the House and stricken by the Senate that would limit to $1,475,000 the amount of funds available for printing costs, and limit to $25,000 the cost of any individual report without the approval of the Administrator.

The conference agreement also includes new language, similar to Senate language from amendment no. 1, that would prohibit the use of any funds in this Act to relocate the Agency for International Development to the Federal Triangle. The managers expect AID to assess the need for such a move, and to report to the Committees on Appropriations on future plans for a move, if warranted, at a lower cost and with lower rental payments. The prohibitive cost of the proposed relocation to the Federal Triangle building, including exorbitant rental costs, was the primary reason for the decision to prohibit the use of funds for the move.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

OFFICE OF INSPECTOR GENERAL

Amendment No. 32: Appropriates $30,200,000 for the operating expenses of the Inspector General as proposed by the Senate instead of $35,200,000 as proposed by the House and makes such funds available for two fiscal years. The managers anticipate that the Inspector General will use deobligated prior year funds in order to maintain an adequate program level.

ECONOMIC SUPPORT FUND

Amendment No.33: Deletes Senate language inserting ''Middle East Fund'', and restores House language designating the account ''Economic Support Fund''.

Amendment No. 34: Appropriates $2,340,000,000 for ''Economic Support Fund'' instead of $2,300,000,000 as proposed by the House and $2,015,000,000 as proposed by the Senate.

Amendment No. 35: Inserts language earmarking $1,200,000,000 for Israel on a grant basis and $815,000,000 for Egypt on a grant basis of which not less than $200,000,000 shall be provided by Commodity Import Program assistance, provides that the President assure such assistance does not cause an adverse impact on the total level of non-military exports from the United States to Israel and Egypt, links aid to Egypt and Israel in great measure to their continued participation in the Camp David Accords, and authorizes the use of local currency for increasing the endowment of the American University in Cairo and for projects and programs which promote the preservation and restoration of Egyptian antiquities. This assistance, which utilizes only local currency generated by our foreign assistance program, is a ''no-cost'' way of fostering U.S. values in a region of the world that is vital to our national interests. This will be the third time Congress has approved a replenishment for the A.U.C. endowment, and the second time Congress has approved assistance for the preservation of Egyptian antiquities. The managers expect the administration to utilize this authority by providing at least the amounts detailed in the legislation. The House bill contained no provision on this matter.

Amendment No. 36: Restores House language which prohibits assistance to Zaire.

INTERNATIONAL FUND FOR IRELAND

Amendment No. 37: Appropriates up to $19,600,000 for the International Fund for Ireland as proposed by the House. The Senate bill did not contain a provision on this matter.

The conferees strongly urge the International Fund for Ireland to take every step possible to ensure that all recipients of Fund support are promoting equality of opportunity and non-discrimination in employment.

The conferees note the formation of a distance learning consortium that includes six universities from the United States, Northern Ireland, and the Irish Republic, and suggest that an allocation be provided for support of this service to business and investment in Ireland.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

Amendment No. 38: Inserts a subsection designation as proposed by the Senate.

Amendment No. 39: Appropriates $324,000,000 for ''Assistance for Eastern Europe and the Baltic States'' as propose by the House instead of $335,000,000 as proposed by the Senate.

Amendment No. 40: Inserts a subsection designation as proposed by the Senate.

Amendment No. 41: Inserts a subsection designation as proposed by the Senate.

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

Amendment No. 42: Appropriates $641,000,000 for assistance for the New Independent States of the former Soviet Union (NIS) instead of $580,000,000 as proposed by the House and $705,000,000 as proposed by the Senate.

The conferees expect that not more than $195,000,000 of the total amount made available under this heading should be provided to Russia in 1996 in consideration of the fact that Russia has been allocated more than 60 percent of the funds obligated under this heading since fiscal year 1993. This matter is addressed in amendment no. 47.

Amendment No. 43: Inserts House language regarding a presidential national security waiver that was deleted by the Senate, and modifies a reference to the Helsinki Final Act.

Amendment No. 44: Deletes Senate language permitting funds to be used for defense conversion.

Amendment No. 45: Inserts language requiring that projects in the NIS should employ in key positions individuals with prior experience in the region and relevant language skills, instead of requiring that organizations previously functioning in the region be given priority in grants and contracts as proposed by the House.

Amendment No. 46: Inserts language directing that the Agency for International Development encourage and give significant weight to cost-sharing in its awards of grants and contracts to assist privatization activities within the New Independent States of the former Soviet Union. The House language mandated cost-sharing on a 1 to 1 basis. The conference agreement is not intended to disadvantage private and voluntary organization, but to encourage, to the extent feasible, use of their own resources when implementing private sector programs.

OMNIBUS II PRIVATIZATION PROJECT CONTRACT

The managers support the open competition for contracts under the Omnibus II Privatization Project that resulted in an appreciable number of base contract awards to new and/or small businesses. However, they note that the actual number of task orders awarded to small and new contractors in disappointingly small. The managers direct USAID to take immediate measures to ensure that all awardees receive a fair proportion of task order awards and a chance to perform. A level playing field must be implemented for the competition process as many small and new businesses find it impossible to successfully compete for task orders against large and established USAID contractors. The use of dollar goals and competitions limited to new and/or small firms should be utilized, if necessary, to expand access beyond the Washington D.C. region. The Assistant Administrator for Europe and the New Independent States, in consultation with the Coordinator for Assistance to the NIS, should report to the House and Senate Committees on Appropriations on progress toward opening the task order process to small businesses and firms not currently under USAID contract, no later than February 15, 1996.

Amendment No. 47: Inserts language providing various directives regarding the allocation and use of funds appropriated for assistance to Ukraine, Russia, Armenia and other independent states of the former Soviet Union. The House bill contained no provisions on this matter other than those addressed in amendments no. 151, 152, and 160.

Inserts language proposed by the Senate with regard to retention of interest by enterprise funds and language allowing any enterprise fund established with respect to more than one country to establish advisory councils in lieu of the appointment of host country nationals to its board of director.

The language also includes Senate provisions that not less than $225,000,000 shall be made available for Ukraine, not less than $85,000,000 shall be made available for Armenia, and that not less than $15,000,000 shall be made available for a Trans-Caucasus Enterprise Fund.

Obligation of funds for Russia is made contingent on a determination by the President that the Government of Russia has terminated implementation of arrangements to provide Iran with certain goods and services related to nuclear programs in Iran. The managers also included a provision allowing the President to waive the provisions of the subsection on national security grounds. The House had no similar provision.

The managers strongly support a program of assistance to the New Independent States that reflects a shift in emphasis toward Ukraine, Armenia, Moldova, Georgia, the Kyrgyz Republic, and other states that the United States is encouraging to move toward free markets and democracy.

Recent progress by Armenia in carrying out economic reforms is noted by the managers. Because of concern about the impact of the continuing economic blockade and conflict in the region, the conferees have provided $85,000,000 for technical and humanitarian assistance requested by the Government of Armenia, including food, fuel, and medical supplies and services. The managers expect the projects and activities undertaken under this subsection to be in addition to the projects and activities included in the 1996 congressional justification documents.

The managers support funding for the Russian, Eurasian, and East European Research and Training Program (Title VIII) from both the NIS and Eastern Europe and Baltic assistance accounts. The program is intended

to assure that broad-based regional expertise is available to both policy managers and the academic community. To the maximum extent possible, funding for this program is recommended at the fiscal year 1995 level. The conference agreement also assumes continuation of other graduate fellowship, partnership, and training projects in the region, such as the Central and Eastern European Graduate fellowship program. Regional student exchange programs, in general, should be distributed equitably among high school, college, and graduate categories.

NIS NON-PROLIFERATION

The managers agree that the Soviet-Designed Reactor Safety Program and implementation of the Russian agreement to cease production of weapons-grade plutonium are essential elements of our foreign and nonproliferation policies. In administering the NIS assistance programs, the Coordinator and AID are urged to expeditiously transfer funds to other federal agencies that are engaged in implementing these non-proliferation programs.

UKRAINE

The managers have provided $225,000,000 for Ukraine, conditioned on additional progress with respect to economic reform. Of this amount, $50,000,000 has been provided to reduce uncertainties in Ukraine's energy supply that have severely impeded its economic recovery and renewed development. The conference agreement assumes that $30,000,000 is to be expended for technical assistance in the energy sector, including assistance to develop regulatory institutions for managing the purchase, licensing, and use of nuclear fuel. The managers urge that none of these funds be used to purchase or pay for oil, natural gas, or nuclear fuel.

Historically, Ukraine has been dependent upon Russia for the technical management of nuclear facilities. As a result, during the Chernobyl crisis, local technicians were not sufficiently skilled, nor prepared to take any action independent of guidance from Moscow. Ongoing concern about the adequacy of safety measures and equipment in Ukraine's nuclear plants has motivated the conferees to recommend that $20,000,000 be made available to meet a request from the Government of Ukraine for the purchase, installation, and training to operate new display and control systems that have the capability to monitor and shut down a facility before a crisis occurs.

The managers have also provided $22,000,000 to strengthen small and medium businesses. Learning from the experience of Russia, the conferees conclude that mass privatization efforts alone do not generate sufficient jobs and income during a period of radical economic and social transition. The managers also support continued assistance to strengthen independent print and broadcast media that appear capable of becoming financially self-sufficient. The availability of accurate, timely information during the current period of transition is key to maintaining support of necessary economic and political reforms.

The conferees continue to view with concern the decision of the Committee for the Implementation of Textile Agreements (CITA) to impose restrictive quotas on textile imports from Ukraine. Testimony earlier this year before the House Committee by the Coordinator of United States Assistance in the New Independent States suggested that every effort should be undertaken to encourage a market economy in Ukraine.

CRIME IN EASTERN EUROPE AND RUSSIA

The managers have provided not less than $12,600,000 for activities in support of training and investigations related to international crime in Central and Eastern Europe, Ukraine and Russia. This is a minimum amount, and the coordinators of aid to Eastern Europe and the NIS should make this a top priority in allocating funds if additional amounts are required.

Corruption and violent crimes have increased markedly over the past year in much of the region, with estimates of many thousands of criminal organizations that are rapidly expanding narcotics smuggling, banking and insurance fraud, extortion and kidnapping activities into Western Europe and the United States. The conferees are particularly concerned about an escalation in the number of reported incidents of smuggling of fissile and nuclear-related materials that could be used by international terrorists.

The managers also inserted a provision allowing the President, under certain limited conditions, to provide only humanitarian assistance for the Government of Azerbaijan for the exclusive use of refugees and displaced persons within Azerbaijan.

INDEPENDENT AGENCY

Amendment No. 48: Inserts language providing for the heading ''Independent Agency'' instead of ''Independent Agencies'' as proposed by the House. The Senate amendment deleted the heading.

AFRICAN DEVELOPMENT FOUNDATION

Amendment No. 49: Deletes House language providing an appropriation of $11,500,000 for the African Development Foundation. This matter is further addressed in amendments no. 10 and 11.

INTER-AMERICAN FOUNDATION

Amendment No. 50: Deletes House language providing an appropriation of $20,000,000 for the Inter-American Foundation. This matter is further addressed in amendments no. 10 and 11.

PEACE CORPS

Amendment No. 51: Appropriates $205,000,000 for the Peace Corps instead of $210,000,000 as proposed by the House and $200,000,000 as proposed by the Senate. The managers expect that the Peace Corps and the Trade and Development Agency will receive by transfer from funds appropriated for assistance for the NIS the cost of fiscal year 1996 activities and operations in the NIS.

Amendment No. 52: Inserts Senate language making funds for the Peace corps available until September 30, 1997.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

Amendment No. 53: Appropriates $115,000,000 for ''International Narcotics Control'' instead of $113,000,000 as proposed by the House and $150,000,000 as proposed by the Senate. Authority to transfer additional funds to this account is provided in amendment no. 175.

Amendment No. 54: Deletes language proposed by the Senate earmarking $1,800,000 for a Federal Bureau of Investigation Legal Attaché office in Cairo, Egypt, and $5,000,000 for the Federal Bureau of Investigation and Secret Service to establish and maintain offices in the Triborder area of Argentina, Brazil, and Paraguay.

MIGRATION AND REFUGEE ASSISTANCE

Amendment No. 55: Inserts language allowing the use of funds appropriated under this heading to be used for salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980, and for allowances as authorized by sections 5921 through 5925 of title 5, United States Code. Deletes language proposed by the Senate that would have allowed funds to be used for salaries and expenses of personnel assigned to the Bureau charged with carrying out the Migration and Refugee Assistance Act.

The managers agree that funds for salaries and expenses should be made available for the same purposes as they were made available under this heading in fiscal year 1995, and should not be made available for other purposes.

Since 1991 the United States has provided humanitarian assistance for Tibetan refugees living in exile, and the conferees expect that such support be continued.

Amendment No. 56: Inserts Senate language making available not more than $12,000,000 for administrative expenses.

Amendment No. 57: Deletes House language limiting funds for salaries and expenses of personnel assigned to the Bureau charged with carrying out the Migration and Refugee Assistance Act.

Amendment No. 58: Inserts Senate language earmarking not less than $80,000,000 for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel. The House bill contained no provision on this matter.

REFUGEE RESETTLEMENT ASSISTANCE

Amendment No. 59: Appropriates $5,000,000 for ''Refugee Resettlement Assistance'' as proposed by the House. The Senate bill did not contain a provision on this matter.

ANTI-TERRORISM ASSISTANCE

Amendment No. 60: Appropriates $16,000,000 for ''Anti-Terrorism Assistance'' instead of $17,000,000 as proposed by the House and $15,000,000 as proposed by the Senate.

TITLE III—MILITARY ASSISTANCE FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

Amendment No. 61: Appropriates $39,000,000 as proposed by the House instead of $19,000,000 as proposed by the Senate. The Senate supported full funding for IMET in fiscal year 1996 but proposed $19,000,000 from this Act and $20,000,000 from the Department of Defense.

Amendment No. 62: Inserts Senate language adding Guatemala as a nation prohibited from receiving IMET funding. This matter is also addressed in amendments no. 63 and 176.

Amendment No. 63: Deletes language proposed by the House permitting expanded IMET training only for Guatemala and retains House language permitting expanded IMET training only for Indonesia. The managers have agreed to permit ''expanded'' IMET assistance for Indonesia because they believe that expanded IMET could address some of the human rights concerns associated with the Indonesian military. The conferees expect the IMET courses to focus on human rights, military justice, and civilian management and control of the armed forces, and the courses should include members of the Indonesian legislature and representatives from nongovernmental organizations.

FOREIGN MILITARY FINANCING PROGRAM

Amendment No. 64: Appropriates $3,208,390,000 instead of $3,211,279,000 as proposed by the House and $3,207,500,000 as proposed by the Senate.

Amendment No. 65: Inserts Senate language earmarking not less than $1,800,000,000 for grants only for Israel and not less than $1,300,000,000 for grants only for Egypt. Retains language in both House and Senate bills directing that funds appropriated for Israel shall be disbursed within thirty days of enactment of this Act or by October 31, 1995, whichever is later. Inserts language proposed in both House and Senate bills making funds available for advanced weapons systems of which not less than $475,000,000 shall be

available for procurement in Israel of defense articles and services, including research and development, and deletes Senate language making funds available for advanced fighter aircraft programs and up to $150,000,000 for research and development in the United States.

Amendment No. 66: Inserts Senate language providing that funds made available under this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act, and that up to $20,000,000 may be transferred from funds made available for the NIS and SEED for the purpose of supporting the Warsaw Initiative Program.

CENTRAL EUROPE

The conferees note that Poland, the Czech Republic, Hungary, and the Slovak Republic are all considering the replacement of many of their Air Forces' high performance aircraft. The managers urge the Administration to take steps to ensure that U.S.-produced aircraft can compete effectively for these sales. For this reason, the conferees urge the administration to support any possible sale of high performance U.S. fighter aircraft to these nations.

Amendment No. 67: Inserts Senate language, ''the following:'' in order to conform the common dollar amounts provided by the House and Senate for Greece and Turkey to language changes made by amendments No. 68 and 70.

Amendment No. 68: Insert the word ''only'' as proposed by the Senate.

Amendment No. 69: Strikes House language to conform with amendments no. 68 and 70 as proposed by the Senate.

Amendment No. 70: Inserts the word ''only'' as proposed by the Senate.

Amendment No. 71: Deletes Senate language related to access by international organizations.

ALIZA MARCUS

The managers are concerned that Aliza Marcus, a Reuters journalist and U.S. citizen, is being tried in Turkey on charges of ''provoking racial hatred'' for reporting on the Turkish military's forced evaluation and destruction of villages in southeastern Turkey. The conferees recognize Turkey's legitimate right to combat terrorism, and expect that the government of Turkey will protect freedom of expression and information by interceding with the military-sponsored State Security Courts on behalf of Aliza Marcus.

Amendment No. 72: Inserts a limitation of $23,250,000 for expenses for administering military assistance instead of $24,000,000 as provided by the House and $22,500,000 as proposed by the Senate.

PEACEKEEPING OPERATIONS

Amendment No. 73: Appropriates $70,000,000 for ''Peacekeeping Operations'', instead of $68,300,000 as proposed by the House and $72,033,000 as proposed by the Senate, and inserts language proposed by the Senate subjecting the obligation and expenditure of such funds to the regular notification procedures of the Committee on Appropriations.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Amendment No. 74: Appropriates $28,189,963 for the paid-in capital stock of the World Bank as proposed by the Senate instead of $23,009,000 as proposed by the House.

Amendment No. 75: Inserts Senate language conditioning obligation of funds to purchase paid-in capital stock of the World Bank upon certification from the Secretary of the Treasury that the Bank has not approved any loans to Iran since October 1, 1994.

GLOBAL ENVIRONMENT FACILITY

Amendment No. 76: Appropriates $35,000,000 for the Global Environmental Facility of the World Bank instead of $30,000,000 as proposed by the House and $50,000,000 as proposed by the Senate.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

Amendment No. 77: Permits subscription for callable capital portion of the United States share of increases in the capital stock of the International Bank for Reconstruction and Development totaling $911,475,013 as proposed by the Senate instead of $743,900,000 as proposed by the House.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Amendment No. 78: Appropriates $700,000,000 for the International Development Association instead of $575,000,000 as proposed by the House and $775,000,000 as proposed by the Senate.

CONTRIBUTION TO THE INTERNATIONAL FINANCE CORPORATION

Amendment No. 79: Appropriates $60,900,000 for the International Finance Corporation instead of $67,550,000 as proposed by the House and the Senate.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

Amendment No. 80: Appropriates $25,952,110 for the paid-in capital of the Inter-American Development Bank as proposed by the Senate instead of $25,950,000 as proposed by the House, and $10,000,000 for the Fund for Special Operations instead of $20,000,000 as proposed by the Senate. The House did not recommend funding for the Fund for Special Operations.

INTER-AMERICAN DEVELOPMENT BANK LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

Amendment No. 81: Permits subscription for callable capital portion of the United States share of increases in the capital stock of the Inter-American Development Bank totaling $1,523,767,142 as proposed by the Senate instead of $1,523,000,000 as proposed by the House.

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

Amendment No. 82: Appropriates $53,750,000 for the United States contribution to the Multilateral Investment Fund instead of $70,000,000 as proposed by the House and Senate.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

Amendment No. 83: Appropriates $13,221,596 for the paid-in capital of the Asian Development Bank as proposed by the Senate instead of $13,200,000 as proposed by the House.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

Amendment No. 84: Permits subscription for callable capital portion of the United States share of increases in the capital stock of the Asian Development Bank totaling $647,858,204 as proposed by the Senate instead of $647,000,000 as proposed by the House.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

Amendment No. 85: Appropriates $100,000,000 for the Asian Development Fund as proposed by the House instead of $110,000,000 as proposed by the Senate.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Amendment No. 86: Appropriates $70,000,000 for the paid-in capital of the European Bank for Reconstruction and Development as proposed by the Senate instead of $69,180,000 as proposed by the House.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

Amendment No. 87: Permits subscriptions for the callable capital portion of the United States share of increases in the capital stock of the European Bank for Reconstruction and Development totaling $163,333,333 as proposed by the Senate instead of $161,400,000 as proposed by the House.

NORTH AMERICAN DEVELOPMENT BANK

Amendment No. 88: Appropriates $56,250,000 for paid-in capital of the North American Development Bank as proposed by the House instead of $25,000,000 as proposed by the Senate. The language also permits subscription for the callable capital portion of the United States share of increases in the capital stock of the North American Development Bank totaling $318,750,000 as proposed by the House and the Senate. The appropriation for the Multilateral Investment Fund contained in the Senate amendment is addressed in amendment no. 82.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Amendment No. 89: Appropriates $285,000,000 for ''International Organizations and Programs'' instead of $155,000,000 as proposed by the House and $260,000,000 as proposed by the Senate. Within these funds, the managers expect that $100,000,000 will be made available for a grant to UNICEF.

The conferees recognize the vital role UNDP plays as the coordinating agency for United Nations activities in support of sustainable development worldwide.

Amendment No. 90: Deletes an earmark of $3,000,000 for the World Food Program that was proposed by the Senate. The conferees urge the Secretary of State to provide $3,000,000 for the World Food Program in fiscal year 1996, the same amount prior conferees have urged in the past two statements of managers. The conferees recognize that the World Food Program plays an essential role in providing food and other aid to the neediest people in the world, especially in conflict zones such as Bosnia and parts of sub-Saharan Africa.

Amendment No. 91: Deletes Senate language on the proportionality of reductions as applied to funding for the United Nations Development Program, the United Nations Children's Fund, the United Nations Environment Program, and the International Atomic Energy Agency.

Amendment No. 92: Inserts a limitation of $30,000,000 on funds for the United Nations Population Fund, instead of $25,000,000 as proposed by the House and $35,000,000 as proposed by the Senate.

Amendment No. 93: Deletes Senate language earmarking not less than $1,000,000 for the United Nations Development Fund for Women (UNIFEM). The House bill contained no provision on this matter.

Amendment No. 94: Inserts language providing that funds may be made available to the Korean Peninsula Energy Development Organization (KEDO) for administrative expenses and heavy fuel oil costs associated with the Agreed Framework. No funds are available for KEDO funding for administrative expenses and heavy fuel oil costs beyond the total amount included for KEDO in the fiscal year 1996 congressional presentation. The conference agreement further provides that these funds may only be made available if the President determines and certifies in

writing to the Congress that certain specific actions have been undertaken in support of the Agreed Framework with North Korea. The managers agree that none of the funds in this bill that are made available for KEDO in fiscal year 1996 may be used to contribute to the lightwater nuclear reactors being provided to North Korea under the terms of the Agreed Framework. This matter is also addressed in amendment no. 164.

Amendment No. 95: Deletes Senate language earmarking $1,500,000 for the United Nations Fund for Victims of Torture. The House bill contained no provision on this matter.

The conferees urge the Secretary of State to provide a total of $2,250,000 for the United Nations Fund for Victims of Torture and the United Nations Development Fund for Women in fiscal 1996.

GENERAL PROVISIONS

LIMITATION ON EXPENSES

Amendment No. 96: Restores House language providing a limitation of $5,000 on entertainment expenses for the Agency for International Development.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

Amendment No. 97: Restores House language providing a limitation of $2,000 on entertainment expenses associated with ''Foreign Military Financing Program''.

Amendment No. 98: Deletes language proposed by the Senate limiting funds for entertainment expenses of the Inter-American Foundation.

Amendment No. 99: Restores House language providing a limitation of $2,000 on entertainment and representation expenses of the Inter-American Foundation.

Amendment No. 100: Restores House language providing a limitation of $4,000 on entertainment expenses of the Peace Corps.

Amendment No. 101: Deletes language proposed by the Senate limiting funds for entertainment expenses of the Trade and Development Agency.

Amendment No. 102: Restores House language providing a limitation of $2,000 on representation and entertainment expenses of the Trade and Development Agency.

DEOBLIGATION/REOBLIGATION AUTHORITY

Amendment No. 103: Inserts Senate language providing for a new subsection designation.

Amendment No. 104: Inserts Senate language which provides that fiscal year 1994 FMF obligated balances, if deobligated, will remain available during fiscal year 1995 for the same purposes, and further that this authority may not be used in fiscal year 1996.

COMMERCE AND TRADE

Amendment No. 105: Inserts Senate language regarding notifications on actions authorized by this section.

NOTIFICATION REQUIREMENTS

Amendment No. 106: Inserts language subjecting ''Development Assistance'' to the notification requirements of this section. The House had proposed that such requirements be applied to ''Child Survival and Disease Programs Fund'', ''Development Assistance Fund'', and ''Development Fund for Africa''. The Senate had deleted these accounts from the notification requirements and had inserted a new account, ''Economic Assistance''. The notification requirements now conform to the account structure contained in the conference agreement.

Amendment No. 107: Restores House language which includes ''Economic Support Fund'' in the notification requirements of section 515.

Amendment No. 108: Restores House language which subjected ''Inter-American Foundation'' and ''African Development Foundation'' to the notification requirements of section 515.

Amendment No. 109: Deletes Senate language which added ''Middle East Fund'' to the notification requirements of section 515.

Amendment No. 110: Deletes House language which subjected ''United States Emergency Refugee and Migration Assistance Fund'' to the notification requirements of section 515.

Amendment No. 111: Inserts Senate language reducing to 10 percent the threshold triggering a notification for changes in the amount of funds to be obligated from the level justified to the Congress for any program, project, or activity. This modification conforms with the threshold currently contained in the Foreign Assistance Act.

ECONOMIC SUPPORT FUND ASSISTANCE FOR ISRAEL

Amendment No. 112: Inserts the House language ''Support Fund'' which was deleted by the Senate.

Amendment No. 113: Deletes the Senate language ''economic assistance'' and reinserts the House language ''the Economic Support Fund'' which was deleted by the Senate.

PROHIBITION CONCERNING ABORTIONS AND INVOLUNTARY STERILIZATION

Amendment No. 114: Inserts Senate language striking ''Concerning Abortions'' from the heading of the section and inserting ''On Funding for Abortions''.

Amendment No. 115: Reported in disagreement.

SPECIAL NOTIFICATION REQUIREMENTS

Amendment No. 116: Deletes language proposed by the House and stricken by the Senate making Indonesia subject to the special notification requirements of section 520.

Amendment No. 117: Restores language proposed by the House and stricken by the Senate that would subject assistance to Russia to the special notification requirements of section 520.

Amendment No. 118: Deletes language proposed by the House and stricken by the Senate that exempts Indonesia from the special notification requirements of section 520 for the purpose of obligating or expending funds for development assistance activities. This exemption is no longer necessary, since Indonesia is no longer subject to the special notification requirements of section 520.

CHILD SURVIVAL AND AIDS ACTIVITIES

Amendment No. 119: Deletes Senate language inserting the words ''Family Planning'' in the heading of this section.

PROHIBITION AGAINST DIRECT FUNDING TO CERTAIN COUNTRIES

Amendment No. 120: Deletes Senate language requiring the President to certify that withholding indirect funding for certain countries would be contrary to the national security interest of the United States prior to the obligation of funds. The conference agreement would require the certification to be made based on the national interest of the United States.

AUTHORIZATION REQUIREMENT

Amendment No. 121: Inserts Senate language waiving the provisions of section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956 for funds appropriated by this Act. The House bill would have subjected the funds to the provisions of these sections.

SUPPORT FOR AUTHORIZATION PROCESS

The managers regret that they must recommend waiving the statutory authorization requirement for most programs in this bill in order to avoid passing what would be in effect a partial year appropriation.

The Committees on International Relations and Foreign Relations have gone to great lengths this year to end the decade-long stalemate over foreign aid authorizations. The majority of the managers have supported that effort and will continue to do so. Only through the enactment of an authorization bill for foreign aid will the Committees on Appropriations be able to benefit from formal legislative guidance as they apportion the spending allocations for programs under their jurisdiction.

Under the current situation, in which the House has passed an authorization for foreign assistance and the Senate is attempting to complete action on its counterpart measure under an agreement to limit time for further consideration, the managers have been asked by members of authorization committees to include in the conference report substantial legislation such as the Middle East Peace Facilitation Act and the NATO Participation Act, as well as extension of the au pair program. In addition, the managers have gone to some effort to conform spending levels to authorization levels passed by the House or reported in the Senate, taking into consideration that the two authorization bills contain differing ceilings in many accounts.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

Amendment No. 122: Inserts Senate language prohibiting bilateral assistance to terrorist countries.

COMMERCIAL LEASING OF DEFENSE ARTICLES

Amendment No. 123: Deletes an excess ''and''.

COMPETITIVE INSURANCE

Amendment No. 124: Inserts Senate language requiring the Agency for International Development to include a clause in all contracts, subcontracts, and solicitations, requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

Amendment No. 125: Restores House language prohibiting the sale of Stingers to Persian Gulf nations.

LOCATION OF STOCKPILES

Amendment No. 126: Deletes House language and inserts Senate provisions which amend the Arms Export Control Act with respect to the competitive pricing of defense articles, make Israel eligible for future stockpile additions without further statutory authorization, authorize additional funds for South Korea and Thailand for each of fiscal years 1996 and 1997, and permit the President to designate additional countries for establishment of stockpiles without requiring further statutory authorization.

COMPLIANCE WITH UNITED STATES SANCTIONS AGAINST IRAQ

Amendment No. 127: Restores House language providing a subsection heading.

Amendment No. 128: Restores House language which allows the President to impose import sanctions against nations which have not prohibited the importation of products from and the export of products to Iraq, Serbia, or Montenegro.

POW/MIA MILITARY DRAWDOWN

Amendment No. 129: Deletes Senate language authorizing the appropriation of such sums as may be necessary to provide reimbursement for defense articles and services provided under this section.

PRIORITY DELIVERY OF EQUIPMENT

Amendment No. 130: Deletes Senate language requiring priority delivery of excess defense articles to NATO allies and major

non-NATO allies on the southern and southeastern flank of NATO.

AUTHORITY TO ASSIST BOSNIA-HERZEGOVINA

Amendment No. 131: Inserts Senate language authorizing the President to transfer to the government of Bosnia-Hercegovina, without reimbursement and subject to prior notification of the Committees on Appropriations, defense articles from the stocks of the Defense Department and defense services of the Department of Defense of an aggregate value not to exceed $100,000,000. The House bill contained a limitation of $50,000,000 on the value of such articles and services.

RESTRICTIONS ON THE TERMINATION OF SANCTIONS AGAINST SERBIA AND MONTENEGRO

Amendment No. 132: Inserts language allowing the President to waive the provisions of section 540A only for the purposes of meeting emergency humanitarian assistance or to achieve a negotiated settlement of the conflict in Bosnia-Herzegovina that is acceptable to the parties.

In addition, the conference agreement includes language proposed by the Senate expanding the authority of section 660(b) of the Foreign Assistance Act to allow police training with respect to sanctions monitoring and enforcement, and to reconstitute civilian police authority under certain circumstances. The conferees recognize that there may be instances when there is no practical alternative to utilizing U.S. military personnel to conduct short-term training of civilian police. The conferees intend that any such use of U.S. military personnel for police training should be on a limited, short-term basis.

SPECIAL AUTHORITIES

Amendment No. 133: Deletes Haiti from the list of countries and programs for which funds are made available notwithstanding any other provision of law, as proposed by the Senate.

Amendment No. 134: Restores House language, stricken by the Senate, that would have deleted displaced Burmese from the list of countries and programs for which funds are made available notwithstanding any other provision of law.

Amendment No. 135: Inserts language which requires the President to terminate assistance to the military of any country or organization that he determines is cooperating, tactically or strategically, with the Khmer Rouge in their military operations, or to the military of which the President determines is not taking steps to prevent a pattern or practice of commercial relations with the Khmer Rouge. The conferees are concerned by reports that Thai military personnel are engaging in cooperative commercial relations with the Khmer Rouge in the export of timber and gems. The conferees believe that meaningful efforts should be made by the government of Thailand and the Thai military to halt this source of income for the Khmer Rouge.

ANTI-NARCOTICS ACTIVITIES

Amendment No. 136: Restores House language allowing funds appropriated in ''Economic Support Fund'' to be used for administration of justice programs in Latin America and the Caribbean. The Senate language would have stricken the reference to ''Economic Support Fund'' and replaced it with a reference to ''Economic Assistance''. The disposition of this amendment conforms with the conference agreement on the account structure for bilateral assistance.

ELIGIBILITY FOR ASSISTANCE

Amendment No. 137: Deletes Senate language referring to titles I and II of the Agricultural Trade Development and Assistance Act of 1954.

EARMARKS

Amendment No. 138: Inserts Senate language governing the application of earmarks contained in the conference agreement. The House bill did not contain this language, since it contained no earmarks.

CEILINGS

Amendment No. 139: Inserts Senate language changing the heading to include the words ''and Earmarks''.

EXCESS DEFENSE ARTICLES

Amendment No. 140: Deletes House provision which requires that excess defense articles transferred to Jordan be subject to section 534 of this Act and inserts language making Estonia, Latvia and Lithuania eligible for receipt of lethal excess defense articles.

Amendment No. 141: Deletes Senate language which allows the President to transfer lethal excess defense articles to Estonia. This matter is addressed in amendment No. 140.

PROHIBITION ON PUBLICITY OR PROPAGANDA

Amendment No. 142: Inserts language limiting use of funds for development education to $750,000,000 instead of a funding prohibition as proposed by the House and stricken by the Senate.

EXPORT FINANCING TRANSFER AUTHORITIES

Amendment No. 143: Deletes Senate Language changing the reference for export financing agencies from title I to title IV. Title I of the bill contains the funding for export financing agencies.

LANDMINES

Amendment No. 144: Inserts Senate language which amends the National Defense Authorization Act for fiscal year 1993 to extend by one year the existing moratorium on transfers of antipersonnel landmines under the authorities of the Foreign Assistance Act and the Arms Export Control Act.

PAKISTAN

Amendment No. 145: Deletes House language requiring a GAO report, and inserts language which amends section 620E of the Foreign Assistance Act of 1961 regarding Pakistan as follows: allows the transfer of military equipment to Pakistan (other than F–16 aircraft) contracted for prior to October 1, 1990; provides that the restrictions in section 620E continue to apply to contracts for the delivery of F–16 aircraft; provides that the prohibitions in section 620E do not apply to assistance provided for counternarcotics purposes, military to military contact, IMET training, humanitarian and civic assistance, peacekeeping (except that lethal military equipment can only be leased or loaned), and antiterrorism activities; and provides further that the President may release Pakistan of storage costs for item purchased but not delivered and may reimburse Pakistan for such amounts paid provided that such payments have no budgetary impact.

The conferees believe that in light of this important administration policy initiative, the administration should provide to the Committees on Appropriations, not later than April 1, 1996, a report on conventional force reduction and non-proliferation in south Asia. This report should include an assessment of the strategic and conventional balance in the region, efforts taken by the United States to achieve regional agreement on nuclear non-proliferation and conventional force reductions, the role of United States aid in achieving these objectives, and progress being made by nations in the region in meeting U.S. non-proliferation objectives. This report should be unclassified to the extent possible, with a classified addendum if required.

The conferees also note that the State Department has determined that the Pressler amendment prohibition applies to government to government sales of military equipment while the commercial sale of military equipment is subject to especially rigorous case by case license review. The conferees believe that certain items which may promote border security and stability, such as border surveillance equipment, radar, and radar warning receivers should be reviewed, consistent with current law, in light of their contribution as confidence building measures contributing to security in border areas in the region.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

Amendment No. 146: Inserts Senate language replacing the word ''subsection'' with the word ''restriction''.

LIMITATION ON ASSISTANCE TO COUNTRIES THAT RESTRICT THE TRANSPORT OR DELIVERY OF UNITED STATES HUMANITARIAN ASSISTANCE

Amendment No. 147: Restores House language stricken by the Senate which prohibits funds for any country if the government of such country prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance and further provides the President waiver authority if he determines it to be in the national security interest. This matter is addressed in amendment No. 174.

NON-OVERTIME DIFFERENTIAL PAY

Amendment No. 148: Deletes language proposed by the Senate that would allow a Foreign Service Officer who is a criminal investigator for the AID Office of Inspector General to receive non-overtime differential pay.

REFERENCES TO AUTHORIZATION ACTS

Amendment No. 149: Deletes language proposed by the House and stricken by the Senate identifying the authorization sources for the ''Child Survival and Disease Programs Fund''. The conference agreement does not contain such an account.

PROHIBITION ON FUNDING FOR ABORTION

Amendment No. 150: Deletes language proposed by the House and stricken by the Senate.

The managers on the part of the House agree to recede from their disagreement in a technical sense only. The substance of the House amendment will be addressed by the House managers during further consideration by the House of amendment no. 115, an amendment in disagreement.

WITHHOLDING OF ASSISTANCE TO COUNTRIES SUPPORTING NUCLEAR PLANT IN CUBA

Amendment No. 151: Inserts Senate language providing a subsection designation and heading for the first subsection.

Amendment No. 152: Inserts language providing for several exceptions to the withholding of funds to any country that supports the completion of the nuclear facility at Juragua, near Cienfuegos, Cuba. The exceptions include assistance to meet urgent humanitarian needs, including disaster assistance and refugee relief; democratic political reform and rule of law activities; the creation of private sector and nongovernmental organizations that are independent of government control; the development of a free market economic system; and assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (Nunn-Lugar). The conference agreement deletes subsection (c) of the Senate amendment, regarding definitions.

LIMITATION ON FUNDS FOR HAITI

Amendment No. 153: Restores House language stricken by the Senate prohibiting assistance for Haiti when it is made known to

the President that the Government of Haiti is controlled by a regime holding power through means other than the democratic elections scheduled for calendar year 1995 and held in substantial compliance with the requirements of the 1987 Constitution of Haiti.

PURCHASE OF AMERICAN MADE EQUIPMENT AND PRODUCTS

Amendment No. 154: Restores House language stricken by the Senate that expresses the Sense of the Congress that all equipment and products purchased with funds made available by this Act should be American-made. The language also requires that, to the greatest extent practicable, each entity receiving financial assistance or funding through this Act should be provided a notice describing the Sense of the Congress provision.

LIMITATION ON ASSISTANCE TO TURKEY

Amendment No. 155: Inserts a limitation of $33,500,000 for ESF for Turkey instead of the House limitation of $21,000,000.

LIMITATION OF FUNDS FOR THE NORTH AMERICAN DEVELOPMENT BANK

Amendment No. 156: Inserts language limiting the use of community adjustment and investment programs of the North American Development Bank to those set out in the binational agreement under which the Bank was established. The Senate bill contained no provision on this matter.

The managers direct that funds appropriated for the North American Development Bank's Community Adjustment and Investment Program (CAIP) be limited to the purposes as defined in the binational agreement establishing the Bank, specifically adjustment assistance and investment relate to trade. The conferees expect CAIP funds to be restricted to communities or businesses that can clearly demonstrate adverse foreign trade-induced economic impact and that otherwise cannot secure financing from commercial lenders. It is further expected that projects in trade-impacted communities should focus on job creation, job retention, and retooling.

The managers do not recommend funding for the Bank in order for it to serve as a pass-through for existing federal programs. The managers oppose the use of CAIP funds for personnel or operating expenses of other federal entities participating in CAIP projects. The Committees on Appropriations will closely monitor compliance with these directives when considering fiscal year 1997 funding for the Bank.

To increase accountability, the managers recommend that the North American Development Bank make the final determination regarding both CAIP eligibility criteria and endorsement of projects for financing on a case-by-case basis.

LIMITATION ON FUNDS FOR BURMA

Amendment No. 157: Restores House language stricken by the Senate prohibiting funds in this Act from being used for international narcotics control or crop substitution assistance for the government of Burma. The Senate amendment would have allowed such assistance if the Secretary of State certified that it was fully consistent with United States human rights concerns in Burma and serve a vital United States national interest. The Senate amendment also extended to such assistance the reporting requirements of chapter 8 of part I of the Foreign Assistance Act.

ASIAN DEVELOPMENT BANK AND INTERNATIONAL DEVELOPMENT ASSOCIATION

Amendment No. 158: Inserts language to authorize the Secretary of the Treasury to subscribe to the fourth general capital increase of the Asian Development Bank and authorizes appropriations of $66,614,647 over the multi-year period. Also, inserts a new section 572 providing the authority for the Secretary of the Treasury to make a contribution of $700,000,000 to the International Development Association. The amount is the same as the appropriation for IDA in amendment no. 78.

SPECIAL DEBT RELIEF FOR THE POOREST

Amendment No. 159: Inserts language proposed by the Senate authorizing the President to reduce debt provided to certain countries under the Foreign Assistance Act and the Arms Export Control Act. In addition, the conference agreement inserts language authorizing the President to engage in debt buybacks and sales, including debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps. The inclusion of such language is consistent with the House language contained in the conference agreement on ''Debt Restructuring'' in amendment no. 24.

LIMITATION ON FUNDS FOR RUSSIA

Amendment No. 160: Strikes House language limiting the amount of fund under the heading ''Assistance for the New Independent States of the Former Soviet Union'' that may be made available for Russia as proposed by the Senate. The managers expect that not more than $195,000,000 of the total amount made available in this bill for the former Soviet Union should be provided to Russia in fiscal year 1996.

LIMITATION ON ASSISTANCE TO MEXICO

Amendment No. 161: Deletes language contained in the House bill and stricken by the Senate limiting assistance to Mexico.

The managers expect the United States government to continue to urge the government of Mexico to take actions to reduce the amount of illegal drug entering the United States from Mexico, and to take effective law enforcement actions to deal with illegal drugs activities, especially illegal narcotics trafficking.

HUMAN RIGHTS IN ETHIOPIA

Amendment No. 162: Deletes House language requiring the State Department to closely monitor and take into account human rights progress in Ethiopia as it obligates fiscal year 1996 assistance for that country. The managers expect the Department of State to continue to be attentive to this important issue.

BASIC EDUCATION OF CHILDREN

Amendment No. 163: Deletes House language providing that not more than $108,000,000 from the AID ''Children and Disease Programs Fund'' may be used for basic education for children. The conference agreement does not contain such a fund.

KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION

Amendment No. 164: Deletes Senate language. This matter is addressed in amendment no. 94.

DRAWDOWN AUTHORITY FOR JORDAN

Amendment No. 165: Inserts Senate language which provides that the President may direct the drawdown of up to $100,000,000 of defense articles, service and training from the Department of Defense for Jordan.

An important opportunity exists to promote the ongoing Arab-Israeli peace process which the administration can seize without the need for additional appropriated funds. Jordan's signing of a treaty of peace with Israel and its break with Iraq has now exposed Jordan to the risks of peace. Jordan's assumption of these burdens should be acknowledged by including Jordan with Israel and Egypt for the statutory designation of a major ''non-NATO'' ally. Further, the administration should honor this increased risk to Jordan's security brought about by its break with Iraq and accepting peace with Israel by carefully reviewing the Government of Jordan's request to acquire up to 80 Egyptian-American built M1A1 tanks to address its near-term security needs.

FEDERAL PROHIBITION OF FEMALE GENITAL MULTILATION

Amendment No. 166: Deletes Senate language amending chapter 7 of title 18, United States Code, imposing fines and criminal penalties on those who violate the provisions of the proposed amendment regarding female mutilation. The Senate amendment would have also required the Secretary of Health and Human Services to conduct information and education activities regarding female mutilation.

The managers urge the authorization committees of the Congress to review this issue as soon as possible, and to report legislation as appropriate.

LIBERIA

Amendment No. 167: Inserts language, amending Public Law 102–270, that would exempt Liberia from the provisions of section 620(q) of the Foreign Assistance Act and section 512 of this Act. The new language would exempt assistance to Liberia from provisions of these sections for funds appropriated in this Act. The Senate amendment would have provided a permanent exemption for Liberia from these sections, and also included language expressing the sense of the Congress regarding the peace process in Liberia. The House bill contained no provision on this matter.

ANNUAL REPORT ON ECONOMIC AND SOCIAL GROWTH

Amendment No. 168: Inserts language which requires the President to submit an annual report to the appropriate committees providing a concise overview of the prospects for economic and social growth on a broad, equitable and sustainable basis in countries receiving assistance under title II of this Act, to include criteria regarding wage and price controls, State ownership production and distribution, State control of financial institutions, trade and investment, capital and profit repatriation, tax and private property protections and a country's commitment to stimulate education, health and human development. The report shall be submitted with the Administration's annual congressional presentation for appropriations.

BUY AMERICA PROVISIONS FOR MAPPING & SURVEYING SERVICES

Amendment No. 169: Inserts Senate language requiring that, to the maximum extent possible, the funds provided in this Act shall be used to provide surveying and mapping related services through contracts entered into through competitive bidding to qualified United States contractors. The House bill contained no provision on this matter.

ENERGY SAVINGS AT FEDERAL FACILITIES

Amendment No. 170: Deletes Senate language requiring agencies funded in this Act to achieve certain specified energy savings. The House bill contained no provision on this matter.

REPORTS REGARDING HONG KONG

Amendment No. 171: Inserts language requiring a March 31, 1996 report on Hong Kong consistent with the provisions of the United States-Hong Kong Policy Act of 1992, and includes Senate language regarding the content of said report. The House bill contained no provision on this matter.

HONDURAS

Amendment No. 172: Deletes Senate language regarding Honduras.

The conferees note that during the 1980's, a secret Honduran army death squad known as Battalion 316 allegedly engaged in a campaign of systematically kidnapping, torturing and murdering suspected subversives. Victims included Honduran students, teachers, labor leaders, and journalists. Also, in 1993 there were reportedly 184 unsolved cases of persons who were allegedly ''disappeared'', and are presumed dead. The conferees urge the President to order the expedited declassification of any documents in the possession of the United States Government pertaining to persons who allegedly ''disappeared'' in Honduras, and promptly make such documents available to Honduran authorities who are seeking to determine the fate of these individuals.

REPORT ON RUSSIAN MILITARY OPERATIONS

Amendment No. 173: Deletes Senate language which requires the President to declassify and resubmit to the Congress no later than three months after the date of enactment a report on Russian military operations as required by section 528 of Public Law 103–236.

The conferees request that the Administration submit to Congress a declassified version of the report submitted pursuant to section 528 of P.L. 103–236. The conferees understand declassification will be to the maximum extent possible.

The report shall also provide an unclassified assessment of: (a) Russian compliance with the Russian-Moldovan agreement of October 24, 1994; (b) allegations of Russian involvement in the September 1994 coup attempt against the Azerbaijan government; (c) the Russian deployment of troops of the Ministry of Defense, Ministry of Interior, or any other security agency to secure the borders of the New Independent States (NIS) of the former Soviet Union; (d) Russian efforts to integrate the security, defense and intelligence forces of the government of the NIS; and (e) compliance with the Treaty on Conventional Armed Forces in Europe.

LIMITATION ON ASSISTANCE TO COUNTRIES THAT RESTRICT THE TRANSPORT OF DELIVERY OF UNITED STATES HUMANITARIAN ASSISTANCE

Amendment No. 174: Deletes Senate language which prohibits funds for any country if the government of such country prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance. This matter is addressed in amendment No. 147.

Amendment No. 175: Inserts language providing that up to $20,000,000 of the funds made available through ''Development Assistance'' or ''Economic Support Fund'' may be transferred to ''International Narcotics Control''. Senate language would have required such a transfer from funds made available to the Agency for International Development. The House bill contained no provision on this matter.

GUATEMALA

Amendment No. 176: Deletes Senate language and inserts new language which allows the Guatemalan military to receive expanded IMET only, or FMF funds only if the President certifies that the Guatemalan military is cooperating with efforts to resolve human rights abuses. The prohibitions included in this section shall not apply to funds made available to implement a cease-fire or peace agreement. Any funds made available are subject to the regular notification procedures of the Committees on Appropriations. This matter is addressed in amendment No. 63.

The conferees commend the Guatemalan President for his efforts to negotiate a peaceful settlement of the civil war in Guatemala and to improve respect for human rights and the rule of law. The conferees are disturbed by reports that members of the military and security forces continue to commit human rights abuses including several cases involving American citizens. The conferees have included a provision which conditions aid to the military and security forces on their cooperation in resolving human rights abuses which their members are alleged to have committed, ordered or attempted to thwart the investigation of. The conferees intend that the cases listed in the April 7, 1995 bipartisan letter to President Clinton by twelve members of the U.S. Senate, as well as the murder of U.S. Ambassador John Gordon Mein, should be among those of particular concern.

PERU AND NARCOTICS

Amendment No. 177: Deletes Senate language making a number of findings regarding actions by the government of Peru involving illegal drug activities, and expressing the sense of the Senate on the provision of military equipment to Peru for drug interdiction activities. The House bill contained no provision on this matter.

ASSISTANCE TO TURKEY

Amendment No. 178: Deletes Senate language earmarking $5,000,000 of ESF funds for Turkey to promote economic growth, cultural and ethnic tolerance, human rights activities, and non-governmental organizations in southeastern Turkey.

HONG KONG ELECTIONS

Amendment No. 179: Deletes Senate language making a number of findings regarding elections in Hong Kong, and expressing the sense of the Congress regarding various aspects of these elections. The House bill contained no provision on this matter.

SENSE OF THE SENATE ON THAILAND

Amendment No. 180: Deletes Senate sense of the Senate language regarding the Government of Thailand's relations with the Khmer Rouge.

EXTENSION OF TIED AID CREDIT PROGRAM

Amendment No. 181: Inserts Senate language extending through 1997 the authority of the Export-Import Bank to conduct tied aid credit programs. Deletes Senate language authorizing a demonstration project.

CONVENTIONAL WEAPONS REVIEW

Amendment No. 182: Inserts Senate language which requires that for a period of one year beginning three years after the date of enactment of this Act, the United States shall not use antipersonnel landmines except along internationally recognized national borders or in demilitarized zones within a perimeter marked area that is monitored by military personnel and protected by adequate means to ensure the exclusion of civilians. The managers agree that this issue must be closely monitored in the period leading up to the moratorium's implementation and that the case of Guantanamo Bay, Cuba, must be carefully reviewed in light of the moratorium's application to this especially sensitive facility.

The conferees recognize the global crisis caused by unexploded landmines. According to the Department of State, there are an estimated 80,000,000 to 110,000,000 landmines deployed in 62 countries. As a result, the conferees urge the President to actively encourage other governments to join the U.S. in solving the global landmine problem by implementing moratoria on the use of antipersonnel landmines similar to the U.S. moratorium as a step toward the elimination of antipersonnel landmines.

The conferees recommend that the U.S. should not sell, license for export, or otherwise transfer defense articles and services to any foreign government which, as determined by the President, sells, exports or otherwise transfers antipersonnel landmines.

EXTENSION OF AU PAIR PROGRAMS

Amendment No. 183: Inserts language extending the authority for the Au Pair program of the U.S. Information Agency through fiscal year 1996. The Senate amendment would have extended such authority through fiscal year 1998. The House bill contained no provision on this matter.

AUTHORIZATION REQUIREMENT

Amendment No. 184: Deletes Senate language regarding authorization requirements for funds provided in this Act. This matter is addressed in amendment no. 121.

CROATIAN-AMERICAN ENTERPRISE FUND

Amendment No. 185: Deletes Senate language authorizing the creation of a Croatian-American Enterprise Fund. The language would also have earmarked $12,000,000 for such fund from ''Assistance for Eastern Europe and the Baltic States''.

SANCTIONS AGAINST COUNTRIES HARBORING WAR CRIMINALS

Amendment No. 186: Inserts language that would not allow funds appropriated in this Act to be made available for the government of any country that is knowingly granting sanctuary to war criminals. Such criminals would include those indicted by the International Criminal Tribunal for the former Yugoslavia or the International Criminal Tribunal for Rwanda, or Nazi war criminals. The Senate language would have restricted bilateral and multilateral assistance provided in such fiscal year for any country which harbored war criminals. The House bill contained no provision on this matter.

RUSSIAN COMPLIANCE WITH THE CFE TREATY AND PRIORITIES FOR MODIFYING EXISTING ARMS AGREEMENTS

Amendment No. 187: Deletes Senate language. The conferees consider compliance with the terms of the Treaty on Conventional Armed Forces in Europe (CFE) an important priority in U.S. relations with the Russian Federation. The conferees believe the Treaty provides adequate means by which the Russian Federation can meet its military requirements for treaty limited equipment in the flank zones defined by Article V of the Treaty. The conferees strongly believe that efforts by the Government of Russia to modify CFE Treaty obligations, including those regarding movement or deployment of treaty limited equipment on the flanks, must be resolved through negotiations, not unilateral reinterpretation/

Amendment No. 188: This matter is dealt with in Amendment no. 192.

LIMITATION ON ASSISTANCE TO HAITI

Amendment No. 189: Deletes Senate language and inserts language which prohibits the availability of funds for Haiti unless the President determines that the government of Haiti is conducting thorough investigations of political and extrajudicial killings and cooperating with U.S. authorities in the investigation of political and extrajudicial killings. The managers agree that nothing in subsection (a) shall be construed to restrict the provision of humanitarian or electoral assistance to Haiti. The President may waive the requirements of this section if he determines and certifies to the appropriate committees of Congress that it is the national interest of the United States or necessary to ensure the safe and timely withdrawal of American forces from Haiti.

LIMITATION ON FUNDS TO THE TERRITORY OF THE BOSNIA-CROAT FEDERATION

Amendment No. 190: Inserts Senate language limiting United States assistance to

Bosnia and Herzegovina (other than refugee and disaster assistance, and assistance for restoration of certain infrastructure) to the territory of the Bosnia-Croat Federation. The House bill contained no provision on this matter.

PLAN RECOMMENDING A STRATEGIC REORGANIZATION OF THE UNITED NATIONS

Amendment No. 191: Deletes Senate language requiring a plan for a strategic reorganization of the United Nations.

On the occasion of the 50th anniversary of the United Nations, the conferees concur with the Administration's stated intention to implement significant management and financial reforms. Accordingly the conferees request a report to be submitted in conjunction with the fiscal year 1997 budget request regarding reorganization of the United Nations. The report should include proposals to achieve (a) reductions in the number of agencies within the UN system including proposals to abolish, consolidate or restructure financing mechanisms for agencies with low priority; (b) the identification and strengthening of core agencies; (c) the increased cooperation and elimination of duplication between UN headquarters and offices in Geneva and the merger of technical cooperation functions of various UN agencies; (d) the consolidation of the UN emergency response mechanisms by merging functions in relevant agencies; and (e) improvements in the administrative and management capabilities of the Secretary General.

NATO PARTICIPATION ACT AMENDMENTS OF 1995

Amendment No. 192: Inserts language which amends the NATO Participation Act of 1994 and provides that the President should evaluate the degree to which any country emerging from communist domination which has expressed its interest in joining NATO meets certain specified criteria. The President may within 60 days designate one or more of these countries as eligible to receive assistance under the program established by the NATO Participation Act of 1994.

TITLE VI—MIDDLE EAST PEACE FACILITATION ACT OF 1995

Inserts additional language to the Senate proposed ''Middle East Peace Facilitation Act of 1995'' (which extends the authority of the President to waive certain provisions of law to facilitate the provision of U.S. assistance in support of the Middle East peace process). The House provisions increase accountability and provide additional detailed oversight over the provision of U.S. funds in support of the Middle East peace process, either directly or indirectly, to the P.L.O., the Palestinian Authority, and successor entities. The managers further agree to extend the President's authority to suspend certain provisions of law from twelve months to eighteen months.

The managers believe that the information provided pursuant to section 604(b)(5)(E) should be as extensive as possible and in accordance with AID's normal accounting practices. With respect to section 604(b)(5)(F), this section does not require a detailed listing of all statements of senior officials of the PLO, the Palestinian Authority and successor entities but rather an assessment of such statements, with attribution of those specific statements which best reflects the issues of concern described in this subparagraph. The managers also note that the reference to Jerusalem in section 604(c)(9) is not intended to suggest that the Palestinian Authority will operate in Jerusalem under the Interim Agreement; rather this section emphasizes the managers' concern that the PLO not purport to affect the status of Jerusalem.

TO IMPOSE SANCTIONS AGAINST BURMA, AND COUNTRIES ASSISTING BURMA, UNLESS BURMA OBSERVES HUMAN RIGHTS AND PERMITS POLITICAL FREEDOM

Amendment No. 193: Deletes Senate language imposing sanctions against Burma and countries assisting Burma.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1996 recommended by the Committee of Conference, with comparisons to the fiscal year 1995 amount, the 1996 budget estimates, and the House and Senate bills for 1996 follow:

New budget (obligational) authority, fiscal year 1995	$13,654,521,750
Budget estimates of new (obligational) authority fiscal year 1996	14,773,904,666
House bill, fiscal year 1996	11,901,375,000
Senate bill, fiscal year 1996	12,413,914,000
Conference agreement, fiscal year 1996	12,103,536,669
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1995	−1,550,985,081
Budget estimates of new (obligational) authority, fiscal year 1996	−2,670,367,997
House bill, fiscal year 1996	+202,161,669
Senate bill, fiscal year 1996	−310,377,331

SONNY CALLAHAN,
JOHN EDWARD PORTER,
BOB LIVINGSTON,
JIM LIGHTFOOT,
FRANK R. WOLF,
RON PACKARD,
JOE KNOLLENBERG,
MICHAEL FORBES,
JIM BUNN,
CHARLES WILSON,
SIDNEY R. YATES,
NANCY PELOSI,
ESTEBAN E. TORRES,
DAVID OBEY,
Managers on the part of the House.

MITCH MCCONNELL,
ARLEN SPECTER,
CONNIE MACK,
JAMES M. JEFFORDS,
JUDD GREGG,
RICHARD SHELBY,
ROBERT F. BENNETT,
MARK O. HATFIELD,
PATRICK LEAHY,
DANIEL K. INOUYE,
FRANK R. LAUTENBERG,
TOM HARKIN,
BARBARA A. MIKULSKI,
PATTY MURRAY,
ROBERT C. BYRD.
Managers on the part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. FURSE) to revise and extend their remarks and include extraneous material:)

Mr. SKAGGS, for 5 minutes, today.
Mr. WISE, for 5 minutes, today.
Ms. KAPTUR, for 5 minutes, today.
Ms. FURSE, for 5 minutes, today.
Mr. FALEOMAVAEGA, for 5 minutes, today.
Mr. OWENS, for 5 minutes, today.
Mr. LAFALCE, for 5 minutes, today.
Mr. PALLONE, for 5 minutes, today.

(The following Members (at the request of Mr. RIGGS) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, today.
Mr. KIM, for 5 minutes, today.
Mr. RADANOVICH, for 5 minutes, today.
Mr. BUYER, for 5 minutes, today.
Mr. HUNTER, for 5 minutes, today.
Mr. SHAYS, for 5 minutes, today.
Mr. TIAHRT, for 5 minutes, today.
Mr. HORN, for 5 minutes, today.
Mr. UPTON, for 5 minutes, on October 30.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to.

(The following Members (at the request of Ms. FURSE) and to include extraneous matter:)

Ms. HARMAN.
Mr. TOWNS.
Mr. LIPINSKI.
Mr. MENENDEZ.
Mr. NEAL of Massachusetts in two instances.
Mr. TORRES.
Mr. DURBIN.
Mrs. SCHROEDER.
Mr. RANGEL.
Mr. BONIOR.
Mr. SERRANO.
Mr. WARD.
Mr. FOGLIETTA in three instances.
Mr. LANTOS.
Mr. SANDERS.
Mr. STOKES.
Mr. SKAGGS.
Mr. MEEHAN.
Mr. ANDREWS.
Mr. EDWARDS.
Mr. PALLONE.
Mr. FILNER.
Ms. JACKSON-LEE.

(The following Members (at the request of Mr. RIGGS) and to include extraneous matter:)

Mr. DELAY.
Mr. CRANE.
Mr. DAVIS.
Mr. QUINN.
Mr. WICKER.
Mr. GILMAN in two instances.
Mr. GALLEGLY.
Mr. DUNCAN.
Mr. GUNDERSON.

(The following Members (at the request of Mr. RIGGS) and to include extraneous matter:)

Mr. PORTER.
Mr. STARK.
Mr. OWENS.
Mr. NEY in two instances.
Mr. GONZALEZ.
Mr. CARDIN.
Mr. FARR of California.
Mr. SERRANO.
Mr. WICKER.
Mr. SMITH of Michigan.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that

committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 716. An act to amend the Fishermen's Protective Act; and

H.R. 1026. An act to designate the United States Post Office building located at 201 East Pikes Peak Avenue in Colorado Springs, Colorado, as the ''Winfield Scott Stratton Post Office.''

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1322. An act to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 402. An act to amend the Alaska Native Claims Settlement Act, and for other reasons.

ADJOURNMENT

Mr. RIGGS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 59 minutes p.m.), under its previous order, the House adjourned until Monday, October 30, 1995, at 12:30 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1561. Chairman, Board of Governors, Federal Reserve System, transmitting the Federal Reserve System's report on State member bank compliance with the National Flood Insurance Program, pursuant to Public Law 103–325, section 529(a) (108 Stat. 2266); to the Committee on Banking and Financial Services.

1562. Assistant Secretary for Legislative Affairs, Department of State, transmitting a report to Congress on Russia's status as an adherent to the Missile Technology Control Regime [MTCR], pursuant to 22 U.S.C. 2797b–1; to the Committee on International Relations.

1563. Director, Defense Security Assistance Agency, transmitting notification that the Department of Defense has completed delivery of defense articles, services, and training on the attached list to Ecuador, pursuant to 22 U.S.C. 2318(b)(2); to the Committee on International Relations.

1564. Auditor, District of Columbia, transmitting a copy of a report entitled, ''Review of the Public Service Commission Agency Fund for Fiscal Year 1994,'' pursuant to D.C. Code, section 47–117(d); to the Committee on Government Reform and Oversight.

1565. Director, Office of Personnel Management, transmitting the agency's annual report on drug and alcohol abuse prevention, treatment, and rehabilitation programs and services for Federal civilian employees covering fiscal year 1994, pursuant to 5 U.S.C. 7363; to the Committee on Government Reform and Oversight.

1566. Clerk, U.S. Court of Appeals, District of Columbia Circuit, transmitting an opinion of the court of appeals for the District of Columbia (94–7143 & 94–7144—*Washington Service Contractors Coalition, et al.* v. *D.C., et al.*); to the Committee on Government Reform and Oversight.

1567. Director, Woodrow Wilson International Center for Scholars, transmitting the annual report on activities of the inspector general for fiscal year 1995, pursuant to 5 U.S.C. app. (Insp. Gen. Act) Sec. 5(b); to the Committee on Government Reform and Oversight.

1568. Clerk, U.S. Court of Appeals, District of Columbia Circuit, transmitting an opinion of the United States Court of Appeals for the District of Columbia (94–5088—*Atkins, et al.* v. *FEC*); to the Committee on House Oversight.

1569. Chair, Foreign Claims Settlement Commission of the United States, transmitting the annual report of its activities for calendar year 1994, pursuant to 50 U.S.C. app. 2008 and 22 U.S.C. 1622a; to the Committee on the Judiciary.

1570. American Gold Star Mothers, Inc., transmitting the organization's report and financial audit for the period ending June 30, 1995, pursuant to 36 U.S.C. 1101(63) and 1103; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MYERS: Committee of Conference. Conference report on H.R. 1905. A bill making appropriations for energy and water development for the fiscal year ending September 30, 1996, and for other purposes (Rept. 104–293). Ordered to be printed.

Mr. WALSH: Committee on Appropriations. H.R. 2546. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes (Rept. 104–294). Referred to the Committee of the Whole House on the State of the Union.

Mr. CALLAHAN: Committee of Conference. Conference report on H.R. 1868. A bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, and for other purposes (Rept. 104–295). Ordered to be printed.

REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X, the following action was taken by the Speaker:

H.R. 994. The amendment recommended by the Committee on Government Reform and Oversight referred to the Committee on Commerce for a period not to exceed Nov. 3, 1995 for consideration of such provisions of the amendment as fall within the jurisdiction of that committee pursuant to clause 1(e), rule X.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MCCOLLUM (for himself and Mr. SCHUMER):

H.R. 2538. A bill to make clerical and technical amendments to title 18, United States Code, and other provisions of law relating to crime and criminal justice; to the Committee on the Judiciary.

By Mr. SHUSTER (for himself, Mr. PETRI, Mr. RAHALL, and Ms. MOLINARI):

H.R. 2539. A bill to abolish the Interstate Commerce Commission, to amend subtitle IV of title 49, United States Code, to reform economic regulation of transportation, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. DELAY (for himself, Mr. FIELDS of Texas, Mr. HASTERT, Mr. EWING, Mr. STUMP, Mrs. CHENOWETH, Mr. FUNDERBURK, Mr. CRANE, Mr. STOCKMAN, Mr. ROHRABACHER, and Mr. HAYWORTH):

H.R. 2540. A bill to amend title 10, United States Code, to prohibit any member of the Armed Forces from being required to wear as part of the military uniform any indicia or insignia of the United Nations; to the Committee on National Security.

By Mr. GILLMAN:

H.R. 2541. A bill to establish an Assistant Secretary of State for Diplomatic Security; to the Committee on International Relations.

By Mr. ALLARD (for himself and Mr. ROBERTS):

H.R. 2542. A bill to consolidate conservation cost-share assistance programs of the Department of Agriculture, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CHRYSLER:

H.R. 2543. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for tuition and fees for undergraduate and post-secondary vocational education; to the Committee on Ways and Means.

By Miss COLLINS of Michigan:

H.R. 2544. A bill to require the Commissioner of the Bureau of Labor Statistics to conduct time use surveys of unremunerated work performed in the United States and to calculate the monetary value of such work; to the Committee on Economic and Educational Opportunities.

By Ms. MCKINNEY:

H.R. 2545. A bill to provide that a State that uses a system of limited voting, cumulative voting, or preference voting may establish multimember congressional districts; to the Committee on the Judiciary.

By Mr. WALSH:

H.R. 2546. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes.

By Mr. DUNCAN:

H.R. 2547. A bill to designate the U.S. courthouse located at 800 Market Street in Knoxville, TN, as the ''Howard H. Baker, Jr. United States Courthouse''; to the Committee on Transportation and Infrastructure.

By Mr. DUNCAN (for himself, Mr. HEFLEY, Mr. TORKILDSEN, Mr. COOLEY, and Mr. HANSEN):

H.R. 2548. A bill to amend the Internal Revenue Code of 1986 to allow individuals to designate any portion of their income tax overpayments, and to make other contributions,

for the benefit of units of the National Park System; to the Committee on Ways and Means.

By Mr. FARR:

H.R. 2549. A bill to authorize the Secretary of the Interior to enter into contracts to assist the Pajaro Valley Water Management Agency, CA, to implement a basin management plan for the elimination of groundwater overdraft and seawater intrusion, and for other purposes; to the Committee on Resources.

By Mr. HEFLEY (for himself, Mr. ROHRABACHER, Mr. SOLOMON, Mr. COX, Mr. BROWNBACK, Mr. CUNNINGHAM, Mr. STEARNS, Mr. DREIER, Mr. BAKER of California, Mr. FUNDERBURK, Mr. ROYCE, Mr. METCALF, Mr. HERGER, Mr. CHRISTENSEN, Mr. STUMP, Mr. SAM JOHNSON, Mr. NETHERCUTT, Mr. ROTH Mrs. MEYERS of Kansas, Mr. NEUMANN, Mr. BONILLA, Mrs. CUBIN, Mr. KLECZKA, Mr. DORNAN, Mr. CHABOT, Mrs. SEASTRAND, Mr. RADANOVICH, Mr. MANZULLO, Mr. BURTON of Indiana, Mr. ROBERTS, Mr. LAHOOD, Mr. WATTS of Oklahoma, Mr. GEKAS, Mr. SANFORD, Mr. ENGLISH of Pennsylvania, Mr. HUNTER, Mr. SALMON, Mrs. CHENOWETH, Mr. TAYLOR of North Carolina, Mr. HASTINGS of Washington, Mr. LARGENT, Mr. PETERSON of Minnesota, Mr. PACKARD, Mr. SMITH of New Jersey, Mr. MOORHEAD, Mr. MCKEON, Mr. KIM, Mr. RIGGS, Mr. DOOLITTLE, Mr. BONO, Mr. KNOLLENBERG, Mr. UPTON, Mr. MCINNIS, Mr. BUYER, Mr. ISTOOK, Mr. HORN, Mr. BUNNING of Kentucky, Ms. DUNN of Washington, Mr. CALVERT, and Mr. FORBES):

H.R. 2550. A bill to prohibit the use of funds appropriated to the Department of Defense from being used for the deployment on the ground of United States Armed Forces in the Republic of Bosnia and Herzegovina as part of any peacekeeping operation, or as part of any implementation force, unless such development is specifically authorized by law; to the Committee on National Security, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STARK (for himself, Mr. SPENCE, Mr. MOAKLEY, Mr. WALSH, Mr. KLECZKA, Ms. PELOSI, Mrs. THURMAN, Mr. BROWN of California, Mr. FROST, Mr. CUNNINGHAM, and Mr. FRAZER):

H.R. 2551. A bill to establish a congressional commemorative medal for organ donors and their families; to the Committee on Banking and Financial Services, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TAYLOR of Mississippi (for himself, Mr. YOUNG of Alaska, Mr. ABERCROMBIE, Mr. BAKER of Louisiana, Mr. BILBRAY, Mr. BISHOP, Mr. BORSKI, Mr. BROWDER, Mr. CALLAHAN, Mr. CLEMENT, Mr. COLEMAN, Mr. CONDIT, Mr. COSTELLO, Mr. COYNE, Mr. DAVIS, Mr. DEAL of Georgia, Mr. DELLUMS, Mr. DE LA GARZA, Mr. DINGELL, Mr. EVERETT, Mr. FALEOMAVAEGA, Mr. FOGLIETTA, Mr. FROST, Mr. GONZALEZ, Mr. HALL of Texas, Mr. HAYES, Mr. HEFNER, Mr. LEWIS of California, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mr. MATSUI, Mr. MCDADE, Ms. MCKINNEY, Mr. MCNULTY, Mrs. MEEK of Florida, Mr. MILLER of California, Mr. MONTGOMERY, Mrs. MORELLA, Mr. MURTHA, Mr. MYERS of Indiana, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. PARKER, Mr. PAYNE of Virginia, Mr. ROBERTS, Mr. ROSE, Mr. SISISKY, Mr. SKELTON, Mr. SPRATT, Mr. STUMP, Mr. TANNER, Mr. THOMPSON, Mr. THORNTON, Mrs. THURMAN, Mr. TRAFICANT, Mr. UNDERWOOD, Mr. VENTO, Mrs. VUCANOVICH, Mr. WICKER, Mr. EHLERS, Mr. ROMERO-BARCELO, Mr. WILSON, Mr. EVANS, and Mr. HOYER):

H.R. 2552. A bill to transfer the Tatum Salt Dome property to the State of Mississippi to be designated by the State as the Jamie Whitten Wilderness Area; to the Committee on Resources.

By Mr. WOLF:

H.R. 2553. A bill to provide for pilot programs conducted by the Federal Prison Industries to test the feasibility of meeting the need for increased employment of Federal prisoners by producing items, for the private market, in conjunction with private United States firms, that would otherwise be produced by foreign labor; to the Committee on the Judiciary.

By Mr. GALLEGLY:

H. Con. Res. 111. Concurrent resolution authorizing the printing of a report to the Speaker of the House of Representatives, prepared by the Congressional Task Force on Immigration Reform; to the Committee on House Oversight.

By Mr. KANJORSKI:

H. Res. 246. Resolution providing for the consideration of the bill H.R. 302, and amendments thereto, to ensure timely payment of Social Security and Medicare benefits, to protect the stability of financial markets, to preserve the credit rating of the U.S. Government, and for other purposes, by increasing the statutory limit on the public debt; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. SAXTON introduced a bill (H.R. 2554) to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade and on the Great Lakes and their tributary and connecting waters in trade with Canada for the vessel M/V *Marion C II:* which was referred to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. GEPHARDT, and Mr. FATTAH.

H.R. 63: Mr. BLUTE.

H.R. 65: Mr. WYDEN.

H.R. 127: Mr. MASCARA, Mr. WISE, and Mr. FALEOMAVAEGA.

H.R. 394: Mr. HOUGHTON, Mr. JONES, and Mr. BOUCHER.

H.R. 468: Mr. SAM JOHNSON.

H.R. 497: Mr. LARGENT, Mr. ISTOOK, Mr. WHITE, Mr. SMITH of New Jersey, Mr. KINGSTON, Mr. JOHNSTON of Florida, Ms. DUNN of Washington, Mr. BARTLETT of Maryland, Mr. LANTOS, Mr. SCHUMER, Mr. HAYES, Mr. COLEMAN, Mr. LIGHTFOOT, Mr. LIPINSKI, Mr. TRAFICANT, and Mr. GORDON.

H.R. 528: Mr. STUDDS, Mrs. VUCANOVICH, Mr. TORRES, and Mr. SANDERS.

H.R. 850: Mr. BACHUS.

H.R. 1021: Mr. MATSUI.

H.R. 1023: Mr. FORBES and Mr. HILLIARD.

H.R. 1090: Mr. SKEEN.

H.R. 1124: Mr. BONIOR.

H.R. 1133: Mr. HEFLEY, Mr. BARTLETT of Maryland, and Mr. LOBIONDO.

H.R. 1202: Mr. HEINEMAN, Mr. MORAN, and Mr. BOEHLERT.

H.R. 1226: Mr. NORWOOD.

H.R. 1488: Mr. STEARNS, Mr. CREMEANS, Mr. MCKEON, Mr. MCINTOSH, Mr. DEAL of Georgia, Mr. LEWIS of California, Mr. GEKAS, and Mr. COOLEY.

H.R. 1493: Mr. ABERCROMBIE.

H.R. 1500: Mr. CLYBURN and Mr. REED.

H.R. 1619: Mr. BALDACCI, Ms. DANNER, Mr. NEAL of Massachusetts, and Mr. GRAHAM.

H.R. 1733: Mr. HEFLEY, Mr. LANTOS, Mr. FROST, and Mr. MCKEON.

H.R. 1749: Mr. OWENS.

H.R. 1796: Mr. PACKARD.

H.R. 1834: Mr. DORNAN and Mr. GOODLATTE.

H.R. 1846: Ms. DELAURO, Mr. FALEOMAVAEGA, Mr. GONZALEZ, and Mrs. LOWEY.

H.R. 1856: Mr. BAKER of Louisiana, Mr. MARTINI, and Mr. BARR.

H.R. 1920: Ms. DANNER and Mr. BALDACCI.

H.R. 2009: Ms. PELOSI and Mr. OBERSTAR.

H.R. 2143: Ms. NORTON.

H.R. 2178: Ms. MCKINNEY and Miss COLLINS of Michigan.

H.R. 2181: Mr. DEUTSCH, Mrs. LOWEY, Mr. REED, and Mr. STUPAK.

H.R. 2190: Mr. ROTH, Mr. WICKER, and Ms. HARMAN.

H.R. 2211: Mr. COLEMAN, Mr. FILNER, Ms. RIVERS, and Mr. RUSH.

H.R. 2240: Mr. ACKERMAN, Mr. WALSH, Mr. WILSON, and Mr. FLANAGAN.

H.R. 2326: Mr. FALEOMAVAEGA.

H.R. 2328: Mr. FALEOMAVAEGA.

H.R. 2407: Mr. PETE GEREN of Texas.

H.R. 2422: Mr. RICHARDSON.

H.R. 2433: Mr. HEFNER, Mr. FRAZER, Mrs. MALONEY, Mr. WILSON, Mr. CLAY, Ms. WOOLSEY, Mr. GOSS, Ms. PELOSI, and Mr. CALVERT.

H.R. 2435: Mr. MINGE, Mr. WICKER, and Mr. LUCAS.

H.R. 2443: Mr. FATTAH.

H.R. 2458: Mr. LANTOS, Mr. TORRICELLI, and Mr. ROYCE.

H.R. 2470: Mr. EMERSON and Mr. STUMP.

H.R. 2474: Mr. BEREUTER, Mr. COSTELLO, Mr. POMEROY, Mr. LIPINSKI, Ms. DANNER, Mr. EVANS, Mr. BARRETT of Nebraska, Mr. NUSSLE, Mr. LATHAM, Mr. GANSKE, Mr. KLUG, and Mr. MINGE.

H.R. 2483: Mr. KINGSTON and Mr. SOLOMON.

H.R. 2508: Ms. DANNER, Mr. STUPAK, and Mr. VOLKMER.

H.R. 2523: Mr. BLUTE and Mr. LIPINSKI.

H.J. Res. 87: Mr. HANCOCK.

H.J. Res. 89: Mr. NORWOOD.

H.J. Res. 114: Mr. SANDERS, Mr. ABERCROMBIE, Mr. BARRETT of Wisconsin, and Mr. LIPINSKI.

H. Con. Res. 5: Mr. COOLEY.

H. Res. 39: Mr. BONIOR.

H. Res. 214: Mr. WAMP, Mr. HOLDEN, and Mr. DOGGETT.

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PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141 WASHINGTON, THURSDAY, OCTOBER 26, 1995 No. 167

Senate

The Senate met at 9 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Gracious Lord, the divine Potter of our lives, our days are in Your hands. Shape the clay as You have planned. May the day work out exactly as You have arranged it for Your glory and our growth. We say with the psalmist, ''I delight to do Your will, O my God, and Your law is within my heart.''—Psalm 40:8. We long to know what is best for our Nation. Now at the beginning of the day, we commit to You the challenges and decisions of this day. We desire to glorify You, so show us what You desire. With inspired intentionality, we put our relationship with You first and make our primary goal what is best for our Nation. In the name of the Way, the Truth, and the Life. Amen.

THE BALANCED BUDGET RECONCILIATION ACT OF 1995

The PRESIDENT pro tempore. The clerk will report the bill.

The assistant legislative clerk read as follows:

A bill (S. 1357) to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996.

The Senate resumed consideration of the bill.

Pending:

Rockefeller motion to commit the bill to the Committee on Finance with instructions.

Brown modified amendment No. 2949 (to instructions of motion to commit), instructions that the committee should consider the findings of the trustees of the Federal Insurance Trust Fund.

Abraham amendment No. 2950, to establish beneficiary incentive programs to collect information on fraud and abuse against the Medicare Program and to collect information on program efficiency.

Harkin amendment No. 2957 (to amendment No. 2950), to strengthen efforts to combat Medicare waste, fraud, and abuse.

Bradley motion to commit the bill to the Committee on Finance with instructions.

Nickles/Brown amendment No. 2958 (to Bradley motion to commit the bill), to increase the earned income tax credit for families.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Minnesota.

MOTION TO COMMIT

Mr. WELLSTONE. Mr. President, I am proud to be an original cosponsor of the motion by Senator BRADLEY. Let me start out by saying, last night I think we had a good technical discussion and an important policy discussion. I must say, I think all of my colleagues are enormously impressed with Senator BRADLEY's mastery of the material.

Mr. President, what I would like to do today in the 5 minutes that I have, is to talk about this vote before us in a slightly different context. I say to my colleague from Wisconsin, my good friend, I have been thinking about the first class I will teach again at the college or university, community college, or University of Minnesota. In this class, which I hope to teach in 7 years from now, the first lecture is going to be about this week. It is going to start out with a definition of politics, and I am going to say politics is, in part, about values and what we all care about, and we can have honest disagreements.

The second part of the lecture I am going to give when I go back to teaching is going to be titled: Who decides? Who is asked to sacrifice? And how do these decisions take place? That really summarizes this motion that the Senator from New Jersey has offered, which I am so proud to be a cosponsor of.

A question: Who decides that we are going to have $245 billion of tax giveaways to people already high-income and wealthy, least in need of those breaks? And whose parents, or whose children, go without adequate health care? It is that simple. Or, Mr. President—and this refers to some amendments that I will later on make sure that colleagues vote on—who decides that we are going to, essentially, leave untouched this area of corporate welfare, that if you have a $5 million estate, you are going to get a tax cut, as my colleague from New Jersey pointed out last night, to the tune of $1.7 million?

But at the same time that you have that kind of tax giveaway, at the same time you have special tax loopholes and breaks for oil companies, or insurance companies, or you have citizens who work abroad in other countries that do not have to pay any taxes on the first $70,000 they make, or special breaks for pharmaceutical companies and, at the same time, Mr. President—and there is no better example—a $5 million estate. How many people ever have that, and you get a $1.7 million tax break.

Who decides that we are going to have that kind of tax giveaway to the wealthiest of the wealthiest citizens in this country, and not those whose children go hungry and whose children are not able to afford a higher education?

In the lecture that I give, when I teach again, I am going to continue to raise these questions. I will ask the question: Who decides that we are going to raise taxes for more than 200,000 people in Minnesota, families in Minnesota, with incomes under $30,000 a year, hard-pressed people and, at the same time, we are going to let the one person in my State—or maybe two—with a $5 million estate get $1.7 million in a tax giveaway?

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

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We make choices here, and these are the questions: Who decides? Who benefits? Who is asked to sacrifice?

In my State of Minnesota, I say to my colleague from New Jersey, we have an interesting situation where back in 1991 we decided that we would have a 15-percent EITC at the State level, tied to the Federal EITC. So working families in Minnesota get an added benefit.

The final point in my lecture: How did this decision get made? I would tell you that what we have going on here in the U.S. Senate is deficit reduction based on the path of least political resistance, deficit reduction in inverse relationship to economic justice. If you have the big bucks, if you have a $5 million estate, you get the tax breaks. If you are low or moderate income, your taxes are raised, or you cannot afford health care, or you cannot afford to send your kid to college.

Mr. President, it is clear that the big givers are getting their way. The heavy hitters are getting their way. All these large financial institutions and corporations are not asked to tighten their belts at all. Mr. President, what we have here is decisionmaking, democracy for the few, not democracy for the many.

This motion brings back some fairness and justice to this process.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I yield 5 minutes to the senior Senator from Wisconsin.

Mr. KOHL. I thank the Senator. Mr. President, I rise today as a strong supporter and original cosponsor of Senator BRADLEY's motion. It presents a straightforward tradeoff to the Senate. It says restore the tax credit for lower income working families in exchange for cutting some of the tax breaks available to healthy corporations.

Before I get into the arguments for this motion, I want to say a brief word on this budget, in general.

Mr. President, like many of my colleagues, I cannot agree with the priorities established in the budget bill before us today. But what I find more disturbing than the bill itself is the partisan and destructive direction the debate over this budget has taken.

We have polarized in extreme political positions firing slogans and half-truths at each other. The two parties agree on many basic principles that could underpin a balanced budget plan. There are billions of dollars and miles of middle ground between the Democratic and Republican budget battle stations. Yet we have chosen to stay locked in our traditional partisan positions.

I want to use the few minutes I have today to talk about the ample room for compromise in the current budget debate. I want to remind my colleagues about the principles that bring us together as public servants—rather than those that drive us apart into our partisan political camps.

First, we believe in balancing the budget. This is a year in which a majority of the Senators voted for a balanced budget amendment to the Constitution and a vast majority voted for a 7-year balanced budget plan. Whether we talk about 7 or 10 years, most of us agree it is time to stop adding to our national debt. Whether we cut defense or domestic programs, most of us agree that Government should spend less.

Second, we believe that the growth of spending on Medicare and Medicaid must be restrained and doing so will involve difficult cuts. I have heard no one deny that the aging of our population and out-of-control health care costs have put into jeopardy these two basic health care programs. I do not think anyone is seriously suggesting that we can continue to let them grow at their current rates.

How much we cut this year, how much we put back into Medicare and Medicaid, how we make those cuts are all legitimate items for debate. Whether cuts need to occur at all is not debatable.

Third, we believe that our economy needs to grow and grow in a manner that rewards families who choose work over welfare. A huge majority of this Senate just voted for a welfare bill—a bill included in the budget before us—that radically changes welfare into a flexible program that moves people into jobs. A majority of those who have served in this and past Congresses have support the earned income tax credit, a tax incentive for families that work. Encouraging work—rewarding work—supporting working families. These ideas are not Democratic or Republican. They are American.

On these three points of agreement alone, we could build a credible balanced budget plan. And if we did that, this Congress would be praised for its responsibility, its leadership, and its service.

Furthermore, producing a bipartisan budget plan—without partisan bickering, without vetoes, without shutting the government, without press conference—would respond to what people outside the beltway are demanding I strongly believe that Americans want to see us debate the budget, not use it to divide our country.

Americans are sickened by the hostile rhetoric, the blind partisanship, the misleading use of figures and facts. They are demanding some honesty, some comity, and some real attempts to craft a balanced budget that a huge majority of them and us can support.

That said, Mr. President, the budget before us is not the place to start a fruitful debate on balancing the budget. It has been written without the input of our party, the President, or any outside witnesses brought in for public hearings. It contains too many tradeoffs that I believe are unfair and unbalanced—and that I believe most Americans would believe are unfair and unbalanced.

Mr. President a report recently released by the Census Bureau showed the gap between our wealthiest families and low-income families growing to the widest point recorded since the Bureau began taking such measurements in 1967. That income disparity is a cancer that is eating away at economic productivity and the standard of living in this country. Any responsible balanced budget plan would take it into account and would certainly not make it worse.

The budget before us makes it worse. The bottom 51 percent of tax filers—those with incomes of less than $30,000—would be worse off under the Senate package than under current law, according to Joint Tax Committee data. Further, wealthy taxpayers—those with incomes above $200,000—would gain an average of $5,088 per taxpayer in the year 2000. How can I justify asking a sacrifice from so many while I myself would get a big tax break under this bill?

Mr. President, this basic unfairness—this basic unbalance—is the primary reason I will vote against this budget, and why I do not believe it can form the basis for the compromise we so sorely need. I can and will ask and stand for sacrifices for the common good as long as they are shared sacrifices. But I will not support a bill that imposes real pain on many to provide gain for a few.

Mr. President, I am afraid that we are missing an historic opportunity because of our focus on short-term political benefit. If we gave up our infatuation with sound bites and brinkmanship, we have the chance to pass a balanced budget, to undo the economic damage of the last decade. As this debate proceeds, I urge my colleagues on both sides to move toward the position most Americans have already taken: Stop tearing each other down and start building a future for this country with a bipartisan and fair balanced budget.

Mr. President, like many of my colleagues, I cannot agree with the priorities established in the budget bill before us today. But what I find more disturbing than the bill itself is the partisan and destructive direction the debate over this budget has taken. We have polarized in extreme political positions, firing slogans, and half-truths at each other. Americans are sick of the blind partisanship and misleading use of figures and facts. They are demanding some honesty, some cooperation, and some real attempts to craft a balanced budget that a huge majority of them and us can support.

That said, Mr. President, the budget before us is not the place to start a fruitful debate on balancing the budget. It has been written without the input of both parties, the President, or any outside witnesses brought in for public hearings. It contains too many tradeoffs that I believe are unfair and unabalanced—and that I believe most Americans would believe are unfair and unbalanced.

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reason I will vote against this budget, and why I do not believe it can form the basis for the compromise we so sorely need. I can and will ask for sacrifices for the common good as long as they are shared sacrifices. But I will not support a bill that imposes real pain on many to provide gain for a few. I cannot justify asking for a sacrifice from so many when I, myself, would get a big tax break under this bill.

Our time is limited, so let me offer three brief arguments for the amendment on the earned income credit before us.

First, the amendment would make the balanced budget plan more fair. According to Joint Tax Committee data, the budget before us makes most taxpayers with incomes of $30,000 or less worse off than they are under current law. Compare that with the top 1 percent of taxpayers—those with incomes above $200,000—who would receive a tax break of an average of $5,088 under this budget plan.

The primary reason for this imbalance is the cut in the earned income tax credit [EIC]—the only tax break targeted to low-income working families.

No one here would claim that balancing the budget is easy or can be done without sacrifices by many people. However, how can we ask a majority of the taxpayers to accept a balanced budget plan in which they lose and a small, wealthy minority wins? That is not balanced, and, once it is fully understood, I do not believe it will be supported by most Americans.

Second, the amendment before us keeps a bipartisan promise we made to working families. The EIC was enacted during the Ford administration and supported by every President since then. The EIC represents a bipartisan commitment to keeping low-income working families with children above the poverty line. In short, the EIC makes work pays better than welfare.

I have heard almost every Member of this body talk about the importance of moving people from welfare to work. And we need to do that in a manner that is not bureaucratic and not burdensome to business. The EIC does this. If we cannot agree in this body to keep our promise to working families by preserving the EIC, I am afraid there is going to be very little we can agree on.

Finally, the amendment before us cuts fat without cutting muscle. Some have characterized the EIC as a program plagued by uncontrolled growth and fraud. If that were the case, we should certainly cut it back dramatically. But that is not the case.

Only 5 percent of the cuts in the EIC proposed by the budget are related to fraud—and our amendment keeps those cuts intact. The rest of the cuts re reductions in taxes that go directly to working families.

The average annual Federal tax hike proposed in this budget for the 262,000 Wisconsin families who get the EIC would be $457. No one, I hope, is claiming those families—many of whom make around $12,000 a year—are defrauding the Government. No one, I hope, is suggesting that their one tax credit ought to be first on the budget chopping block.

Mr. President, we are all agreed that we have to balance the budget, and to do that, we have to reduce entitlement spending. But we have to do so in a way that makes sense and is fair. Cutting an established bipartisan tax credit that encourages work over welfare does not make sense. Cutting it while increasing tax breaks for corporations and the wealthy is not fair. I urge my colleagues to support the Bradley motion.

Ms. MIKULSKI. Mr. President, I rise today to speak out against the Republican proposal to raise taxes on working families and in support of the Democratic amendment. The Republican tax plan raises taxes on families making $30,000 while give a big fat tax cut to people with $5 million estates.

We talk a lot about getting people off welfare. But I believe if we are serious about moving people from welfare to work, then work must pay them enough to pay the bills. When mom or dad works 40 hours a week they should be able to pay the bills. They should be rewarded for working hard. The earned income tax credit does that, it rewards hard work by families. It allows these struggling families to have hope for a better future.

Yes, we talk a lot about welfare reform. We talk a lot about family values. But look what we do. I believe what we explicitly state as our values we should implicitly reflect in our public policy. What is our public policy? This Senate is already on record against even debating an increase in the minimum wage. And now this Senate is about to approve cutting a tax credit that helps these very same working men and women who depend on the minimum wage.

What are we saying to these families? We are saying even as you struggle and work hard, we are going to raise your taxes. And why? Is it because we want to balance the budget? That is what the Republicans say, but that is not the truth. The only reason we are raising taxes on working families and slashing Medicare is so that the Republicans can pass a big tax cut for people making $100,000 or $200,000 a year.

Mr. President. In order to fund a capital gains tax cut for the wealthy, the plan before us would cut the earned income tax credit by $42 billion and call it reform. It would increase the tax deductions for capital gains by $33 billion and call it fair.

The earned income tax credit is designed to reward work. For every dollar a low income worker earns at a job, he or she receives a tax credit. The size of the credit ranges from 7 cents to 36 cents per dollar, based on your family size. This credit is gradually phased-out as income rises so that there is always an incentive to earn more and work more. In short, the EITC helps to offset the heavy burden that taxes can place on a family that counts every single penny. It is tied only to income that is earned on a job. It provides a tax break to those who need it most, low-wage earners.

But all of this is being changed by this reconciliation bill. Single workers will be cut off. Families with one or two kids will have their credit reduced and their taxes increased.

And what does this mean? To the people of my State of Maryland it means tougher times. These cuts in the EITC mean that over 270,000 Maryland taxpayers will pay more while those at the top pay less. These cuts in the EITC mean that by 2002, people of my State will pay an average of $345 more in taxes. It means that 120,000 Maryland families with two kids will have their tax bill go up by $474 a year.

Lets talk about what this tax increase means to real people. For Rhonda Clark, a 26-year-old mother from Baltimore, it means that even though she has worked hard to get off welfare and to raise her two young kids, even though she has played by the rules, life is about to get harder. For Rhonda, this tax increase means she will have less money to pay for child care for her two young kids. Inflation will go up, but Rhonda's tax credit will be reduced in 1996 by $367.

The EITC has a long history of bipartisan support. But that is about to change too. This tax credit has been endorsed and expanded by Presidents and Congresses of both parties. President Ronald Reagan called it, ''The best antipoverty, the best profamily, the best job creation measure to come out of Congress.'' This credit rewards work. It is a bonus for the good guys because it is based on hard work. We should be praising it today. Not attacking it. Not cutting off workers, cutting off families, and cutting off hope.

Let us reflect in our public policy what we have stated as our values. Let us keep faith with working families by supporting the earned income tax credit.

Mr. KENNEDY. Mr. President, the earned income tax credit is a valuable tax credit for our working families. As enacted by the Congress in 1993, the EITC would provide a tax credit for over 21 million workers and their families this coming year. Working families with earnings of up to $28,500 per year would be eligible. These are families who play by the rules and work hard each day to get by. These are the same families who are disproportionately affected by the Republican cuts in domestic spending.

The earned income tax credit is the result of a bipartisan effort to create a disincentive to people from remaining on public assistance rather than working at lower wage jobs, and was hopefully a major aspect of welfare reform. President Reagan called it the ''best

antipoverty, the best pro-family, the best job creation measure to come out of Congress.'' Reagan proposed a significant expansion of the credit in the 1986 tax reform bill.

The House of Representatives has proposed a $23 billion tax increase on these same families by repealing the 1993 earned income tax credit expansion for families with two or more children, and by denying the EITC to families without children. Fourteen million EITC recipients—nearly half of the EITC recipients with children—would be adversely affected. Families with two or more children would be hardest hit.

The proposal before the Senate makes even more severe cuts. The proposal would increase taxes on 17 million households to raise $42 billion. A report by the Treasury Department shows that under the Senate proposal, 21 percent of families currently eligible for the EITC would lose their eligibility by the year 2005.

On a national level, the proposal will mean an immediate $300 average tax increase. For the 7.4 million families with two or more children, a $410 tax increase will occur. And the average tax increase will continue to go up over time, reaching $644 by the year 2005. These families include 18.5 million children.

In Massachusetts, 194,000 working families would face an average tax increase of $321 in the year 2002. For families with two or more children, the increase would reach $440.

Two-thirds of the proposed tax increase in the EITC would be achieved by repealing the final phase of the 1993 expansion for families with two or more children—an expansion promoted by President Reagan in 1986 and President Bush in 1990.

Also included in the Republican bill is a proposal to tax social security payments received by approximately one million widowed, retired, and disabled taxpayers who care for about 2 million of their own children, grandchildren, or other children. These social security recipients would face an average increase of $850.

The 1993 expansion was designed to keep a family of four with a parent working at the minimum wage above the poverty level, assuming the family also received food stamps. And we still haven't been able to achieve that.

The standard of living of working families has continued to deteriorate since 1979. In 1996, the real value of the minimum wage will decline to its lowest level in 40 years. Without an increase in the minimum wage, the EITC must do the job of raising the after tax incomes of working families.

We have heard too much rhetoric about the level of fraud and abuse. The facts do not bear out these accusations. Any fraud and abuse that had taken place has been largely eliminated through steps taken by the IRS to reduce erroneous claims. There is no more fraud and abuse with this credit than there is in capital gains claims of the rich.

Other improvements to the credit have been made consistently over the past several years. Most recently, it was altered to deny eligibility to those with $2,500 or more of taxable interest and dividends.

There has also been too much rhetoric about the fact that the rate of growth of the EITC is out of control. That is not the case. With the 1996 expansion, the CBO projects that the EITC will grow at less than 4.5 percent per year. This growth is due largely to inflation. As a percentage of gross domestic product, the cost of the EITC will decline after 1997.

Mr. LEAHY. Mr. President, I rise in strong support for the amendment offered by the distinguished Senator from New Jersey.

It restores $43 billion in cuts over the next 7 years in the earned income tax credit in the Senate Republican reconciliation bill.

At a time when many working Americans are struggling to make ends meet, the Senate Republican budget would hike Federal taxes on low- and moderate-income working families. It would also raise some State taxes on these same working families.

This is a double whammy on working families.

This Federal tax increase will also raise taxes in seven States that have a State earned income tax credit tied to the Federal credit, including my home State of Vermont.

This bill will raise both State and Federal taxes on 27,000 Vermont working families earning less than $28,500 a year.

As a result of this double tax jeopardy, working Vermonters will lose $64 million in Federal earned income tax credit benefits and an additional $16 million in State earned income tax credit benefits over the next 7 years.

On average, about 63 percent of Vermont taxpayers would see their taxes rise under this bill because of these earned income tax credit cuts.

Under the Senate bill, a Vermont family of four earning $15,610 a year, the 1995 poverty line, would lose $4,500 of earned income tax credit benefits over the next 7 years—$3,600 cut in the Federal earned income tax credit and $900 cut in the State earned income tax credit.

A Vermont family of four making $22,000 a year would fare even worse—suffering a loss of $1,208 in State earned income tax credit and a loss of $4,831 in Federal earned income tax credit over the next 7 years.

It is very doubtful that the Vermont General Assembly can afford to increase the State earned income tax credit to make up this loss, with even more Federal cuts on the way.

Workers are treading water or worse against the rising tide of inflation and low wages. Now is not the time to cut a tax credit that will raise Federal and State taxes on low- and moderate-income families.

Instead, I urge my colleagues to support this amendment to restore the earned income tax credit.

Mr. AKAKA. Mr. President, as the Senate debates S. 1357, the fiscal year 1996 budget reconciliation bill, I am concerned that the tax changes and spending priorities put forward seek to balance the budget on the backs of senior citizens, working families, the working poor, and our Nation's children. The Republican proposal for a $270 billion cut in Medicare, a $182 billion reduction in Medicaid, and a $43 million tax hike for families earning under $30,000 a year to finance $245 billion in tax giveaways—over half to individuals earning over $100,000 annually—clearly outlines the number one priority of the Republican plan: tax relief for a privileged few.

The details of the legislation stand in stark contrast to the intended goal of reducing the Federal budget deficit. The fears I expressed during debate on the budget resolution have been confirmed; the brunt of deficit reduction in this bill comes at the expense of our responsibility to make work pay, the education and well-being of our youth, the retirement security of our parents, and our commitment to long-term investments in productivity, education, and job training. This approach is shortsighted and threatens to reverse progress made in genuine deficit reduction and tax fairness over the past years.

The tax increases contained in the reconciliation bill hit hardest on working American families. In particular, the $43 billion reduction in the earned income tax credit [EITC] will raise taxes for 17 million working Americans and their families. 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. Resources should be focused on economic policies and public investments that enhance productivity, create well-paying, skilled private sector jobs, and restore economic mobility and prosperity to working Americans.

Yet the Republican plan cuts the earned income tax credit by $43 billion over 7 years; reversing longstanding bipartisan support for policies that make work pay. The earned income tax credit helps low-and-middle-income working families who have seen their wages decline since the 1980s and serves as a safety net for middle-class families confronted with a sudden loss of income. The EITC helps these families through economic difficulties and encourages policies that make work pay.

Mr. President, despite the tremendous number of new jobs created last year and the 2-year decline in the national unemployment rate, the earnings of many Americans have remained stagnant. In fact, over the last decade most working families have seen their standard of living erode. People are working harder and longer to make ends meet. The number of working

poor families and individuals living at or below the poverty line continues to grow.

The 1993 expansion of the EITC was designed to lift a family of four, in which a parent works full-time, year-round at the minimum wage, to the poverty line. This $43 billion tax increase on millions of working families—many just above the poverty line who are struggling to work, raise their families, and avoid welfare, will destroy an important incentive that encourages work and self-sufficiency. The proposed cut in the EITC would increase Federal income taxes on millions of low-income working families with children. The Treasury Department estimates that 17 million low-income American taxpayers will see an immediate tax increase averaging $281 per year under the Republican proposal. When fully implemented, the Republican proposal would boost the average tax bill for working taxpayers by $457 per year.

In 1996, working families with more than one child will see their EITC reduced by $270. A working family with two children earning $20,000 or less would see a $372 tax hike. Working poor families with one child and taxpayers without children also will see a tax increase under the GOP plan. The elderly, disabled, and retired who receive Social Security and have an average income under $10,000 will see their taxes climb by an average of $859 under the Republican plan. Over 1 million low-income working families—and over 2 million children—would suffer as a direct result of this proposal.

Working families with children that have low and moderate incomes face three strikes under this bill. The reduction in the earned income tax credit, cuts in Medicaid, and ineligibility for the $500 per child tax credit will hit millions of working families and millions of children hard. Over 30 million children, 44 percent of our Nation's young people, would receive no benefit or only partial credit and not the full $500 proposed.

Mr. President, what message are we sending to working men and women? By raising income taxes on millions of Americans struggling to make ends meet and committed to work over welfare and making tax breaks paramount, the Republican reconciliation plan establishes disincentives to hard work and threatens the economic security of millions of American families.

I urge the defeat of S. 1357.

Mr. BRADLEY. Mr. President, I yield 4 minutes to the distinguished Senator from Washington State.

Mrs. MURRAY. Thank you, Mr. President. It is always a pleasure to be working with my colleague from New Jersey, Senator BRADLEY. It is unfortunate, though, today, that what we are trying to do is to fix the Republican budget and attempt to restore the earned income tax credit.

Mr. President, this Republican budget will cut $43 billion from the earned income tax credit, and in so doing, this budget will be raising taxes on those earning less than $30,000 a year.

I have to tell you, this is totally incomprehensible to me that while the Republicans are touting this budget and all the glory of its tax cuts, they are raising taxes on hard-working American families.

Where is the logic in this? As one of my colleagues recently stated, this is nothing more than reverse Robin Hood—taking from the poor in order to pay for tax breaks for the most wealthy in America.

The impact of this proposal is astounding. The numbers are staggering. This budget will raise taxes on 17 million families across America. In my home State, low-income working families with two children will see a $452 tax increase in 2002 and a $522 tax increase in 2005.

What kind of message does this proposal send to our hard-working families? Does it provide security and hope? Or does it tell them they are on their own? Does it tell these families that are working to stay above the poverty line that we no longer reward hard work and support their efforts?

Mr. President, the EITC has always received bipartisan support because it is a commonsense tax credit. It rewards work. It provides a real incentive. It gives people the means to move from the welfare rolls to the work force.

As we all know, in 1986, Ronald Reagan praised the EITC. I remember him saying, ''It is the best antipoverty, best profamily, best job creation measure to come out of Congress.''

As in President Reagan's day, many of today's hard-working American families are trying to make end's meet, send their kids to school and provide some hope for the future. Average Americans are worried today about their jobs. They are anxious about their cost of education. And there is genuine concern out there about the costs of health care. It is astounding that the other side has chosen this time to reduce the EITC.

Mr. President, this tax increase is not a big deal to some of our colleagues here in the Senate, but, believe me, these are real increases to average Americans.

As I have said many times throughout this budget process—I will say it again now—this budget has no conscience nor provides any hope. It 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.

Taking away this tax credit adds insult to injury. The EITC keeps people off welfare. It offsets other forms of formal assistance. It gives American parents the security they need to enter the work force.

We cannot balance the budget on our working poor, our elderly and our children, and we cannot justify cutting taxes for the wealthy while increasing taxes on the poor. We should put things back in perspective and help those who really need our help.

Mr. President, I urge my colleagues to support this amendment. It tells working families we are in their corner. It says we are against increasing their taxes and we are for insuring their financial security.

I commend my colleague from New Jersey and urge all of our colleagues to support this sound, commonsense amendment.

Mr. BRADLEY. Mr. President, in 1993, Congress decided to give a 3-year tax cut to families earning under $30,000 a year. That is the earned income tax credit.

What the other side attempted to do is to say, ''Do not give these working families earning under $30,000 a year the third year of their tax cut.'' That is essentially what this debate is about.

As I said last night, I would oppose their effort to raise taxes on families earning under $30,000 a year if it was a free-standing amendment; but in the context of this debate it is virtually unconscionable because of the estate tax provision in this bill. I have not heard anyone on the other side defend this provision. If you have a $5 million estate you pay $1.7 million less in estate tax because of the changes in this bill. I have not heard one person on the other side of the aisle stand up and credibly defend why we should give less than one-tenth of 1 percent of the estates in this country a $1.7 million tax cut while we are raising taxes on families earning under $30,000 a year. I have not heard that defense. Maybe it exists. I have not heard it.

The distinguished Senator from New Mexico read a letter from the Joint Tax Committee, as if the letter clinched the case. And the letter of course says that 72 percent of the tax benefits in this bill go to families earning under $75,000 a year. That is true. One does not dispute that. But that is not a refutation of the fact that taxes are increased on families earning under $30,000 a year. It means that the tax cut for those with incomes between $30,000 and $75,000 is large enough to offset the tax increase for those earning under $30,000.

Then, finally, there was this nice phrase here in the letter from the Joint Tax Committee, ''Only 1.5 percent of all households will have an income tax increase;'' an income tax increase.

Mr. President, people who earned under $30,000 a year last year paid $114 billion in Federal taxes. Guess how much of the $114 billion was income tax? It was $12 billion. Mr. President $12 billion out of the $114 billion was income tax.

What other taxes do they pay? They are working people. They pay Social Security taxes. For years we heard from the other side that the cruelest tax of all is the tax on working Americans, the Social Security tax. What they are doing is essentially raising the effect of the Social Security tax on

those working people, because the earned income tax credit offsets Social Security taxes and income taxes and excise taxes paid by families earning under $30,000 a year. And the Joint Tax Committee did not refute that. The letter refers only to income taxes, not Social Security taxes.

So let us be clear here. Let us be clear. There has not been one refutation of the fact that the earned income tax credit offsets Social Security taxes. And when you repeal it, you are essentially raising Social Security taxes on families earning under $30,000 a year. Why do this in the context of a bill where estates of $5 million get a $1.7 million tax cut? Tell me how is that good policy.

Then, of course, we are going to see a chart later, the famous growth chart, that will show that the earned income tax credit has increased dramatically in the last 3 years, how it is exploding since 1986. Every time, Mr. President, every time we hear that argument about the earned income tax credit exploding, remember, Mr. and Mrs. America, what they are saying is that working families are getting a bigger and bigger tax cut and they do not like it. Republicans want to reduce their tax cut. They want to raise taxes on working families.

So when you see that chart going up, that is not a chart of the growth of the earned income tax credit. That is a chart of taxes going down for working families in this country.

So when the distinguished Senator from Oklahoma puts that chart up—and I hope he puts that chart up at some point today—remember those bars that go higher and higher: Lower taxes on working families in America.

Mr. President, this is one of those moments that is so clearly defining that it really is even reachable by my own rhetorical skills. You do not have to be a great speaker when you have all the facts on your side, when you have no refutation on the other side, and when the choice is so clear—a $1.7 million tax cut for estates of $5 million? That is less than one-tenth of 1 percent of the estates in this country in any given year. So the contrast is clear: a tax cut of $1.7 million for estates versus a tax increase on working families.

The other side says, ''We did not increase it on families. We only increased it on single people earning under $30,000.'' Well it is true that single people are clearly getting a tax increase. That is true. But I can also give you plenty of examples of where you increased taxes on working families. Anybody who is single under 30, yes, you get a big tax increase—a big tax increase. Not a small one, a big one. And for many families, it is also true.

Mr. President, this is an issue that I think bears a very a strong vote in support of our effort to protect this tax cut for working families. Mr. President, I am prepared to yield 3 minutes to the distinguished Senator from West Virginia, who is on the floor now in support of this amendment.

Mr. ROCKEFELLER. The distinguished Senator from New Jersey is kind as always.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I am going to be on the floor again today because the Republican rhetoric is not matching the reality and the Republican rhetoric is that the children's tax credit will help families.

In reality, too many families will be excluded from this credit because it is not refundable.

In fact, over 20 million children will not receive the full benefit. And these children are in families earning less than $30,000, families that need tax relief the most to make ends meet on a tight family budget.

To add insult to injury, not only do Republicans deny the credit to such hard working, low-wage families, Republicans are paying for it by imposing a tax increase on them with a $43 billion cut from the earned income tax credit [EITC].

The Republican leadership continues to claim that their tax package helps middle-class American families. And this sounds good, but I want to know how they define the middle class?

In my State of West Virginia, we believe that parents who go to work every day, and struggle to raise their children are middle class, admirable, and deserving of support and encouragement. Over 65 percent of our taxpayers are working hard but earn less-less than—$30,000. For such families they will lose, not gain under this bill.

West Virginians have a basic sense of fairness and common sense. They will know that this package and its claim of middle class tax relief are false when they fill out their tax forms in April 1997.

Just 2 years ago, these working families were promised tax relief. Now Republicans are reneging on that deal and raising taxes on families earning less than $30,000. For families with two or more children, their taxes will go up an average $483. For families with one child, taxes will go up an average of $410. This will hit over 77,000 families with children in my State of West Virginia alone.

But such numbers can be numbing. Let us get beyond the rhetoric, and look at real families.

A real family, like the Helmick family of New Milton, West Virginia, will be worse off, not better. The Helmick family has 6 children, ranging in age from 15 to 4. Mr. Helmick works full-time as a truck driver for a local construction company, and Mrs. Helmick is a full-time homemaker. In the past, they have used their EITC to buy baby furniture and to buy a used truck so Mr. Helmick has reliable transportation to get to work. Mr. Helmick will not get to claim the full tax credit for his children, and he will lose EITC benefits under the Republican plan.

This is a real working family that will be hurt, not helped.

And families like the Helmicks who can not claim the child credit and are hurt by the cuts in EITC, probably will not be claiming capital gains tax breaks either. For them, this package does little more than renew their cynicism since it reneges on promises made just 2 years ago when we told families to play by rules, go to work instead of welfare and we will offset your payroll taxes so that you do not have to raise your children in poverty.

I feel badly for 65 percent of families in West Virginia who will be hurt rather than helped by the Republican tax proposal.

I thank the distinguished Senator from New Jersey.

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

The PRESIDING OFFICER. The Senator from New Jersey has 3 minutes and 18 seconds remaining.

Mr. BRADLEY. Mr. President, I have one final point.

The purpose of the earned income credit was to offset income taxes that working families pay—working people—and Social Security taxes that working families pay, and excise taxes that working families pay. That is the purpose of it.

The other side has said this proposal that they have offered does not increase income taxes on 98 percent of the people.

What about Social Security taxes? What about excise taxes? Are they saying those are not taxes? Are they not saying that a working family at the end of the month has less money in their pockets because they paid those taxes? A working family has less in their pockets after this proposal passes because of the Social Security taxes that they do not have offset, and the excise taxes that they do not have offset. And if you are a working single person, forget it. You are going to have a serious increase in taxes. Those are the facts. Those are the facts.

One repeat of a statistic: Of the $114 billion in Federal taxes paid by families and individuals earning under $30,000 a year, only $12 billion of the $114 billion are income taxes. We offset all the others. They offset only the $12 billion.

In the context of a tax bill, where an estate of $5 million gets a tax cut of $1.7 million, I really want to hear the other side defend that estate tax provision.

I want to hear them make the argument about the family farm because I will have an amendment later that will protect the family farm, and it will cost $700 million as opposed to $3 billion over 5 years. Then we will be able to see the difference between the two parties. Even on that issue, one wants to protect the family farm, and the other, of course, wants to give a little bit more benefit to business corporations, and not only the family farm. I can understand why that is good politics for some. It certainly is not good

politics. And it is certainly not good policy in the context of a bill that raises taxes on working families that deserve a tax cut, not a tax increase.

Mr. WELLSTONE. Mr. President, is there any time left?

The PRESIDING OFFICER. There are 27 seconds remaining.

Mr. WELLSTONE. If I could amplify a point made by the Senator from New Jersey, it is not good politics either because people in the country—in case anybody has not noticed—yearn for a political process that they can believe in, a political process where they think they are represented. This does not look like such a process. This looks like something good for big players, heavy hitters, those who have all of the influence, with the vast majority of the people shut out. This is not a regular person's standard with this kind of break.

Mr. EXON. Mr. President, for the record, I would like to have the Chair advise the Senate of the time remaining on both sides overall.

The PRESIDING OFFICER. There are 3 hours left for the Senator from New Mexico, and there are 4 hours and 45 minutes remaining for the Senator from Nebraska.

Mr. EXON. I thank the Chair. As I understand it, we have now used up all time and completed debate on the amendment offered by the Senator from New Jersey. As I understand it, we are about then, per the previous agreement, ready to take up an amendment that I understand is to be offered by the Senator from Florida who I believe is in or near the Chamber with regard to Medicaid funding.

Is that the understanding that has been tentatively agreed to as far as the other side is concerned?

Mr. ABRAHAM. It is my understanding that Senator NICKLES reserved 10 minutes of time to speak on this topic. I am trying to ascertain whether he intends to use it.

Mr. EXON. On the EITC issue.

Mr. ABRAHAM. That is correct.

Mr. EXON. Then we would go to the Medicaid amendment.

Mr. ABRAHAM. That is my understanding.

Mr. EXON. I thank my colleague.

Mr. ABRAHAM. We are trying to determine if that reserved 10 minutes will be used or not.

Mr. EXON. Since Senator NICKLES is not here, in order to conserve time, could we temporarily set that aside and allow the Senator from Florida to proceed with his presentation?

Mr. ABRAHAM. We would be happy to enter into a unanimous-consent agreement, and we wish to reserve the 10 minutes of time for Senator NICKLES for whatever time later that he might be available.

I move that we temporarily lay aside the EITC motion so that we might proceed to the next motion, I believe it is, while reserving 10 minutes of debate on our side for the EITC.

The PRESIDING OFFICER. Is there objection?

Mr. BRADLEY. Mr. President, reserving the right to object, what was the request on the EITC?

Mr. ABRAHAM. I do not think it is a request, simply a confirmation of an agreement reached last night for 10 minutes reserved for Senator NICKLES to comment further on the motion that the Senator from New Jersey has offered.

Mr. BRADLEY. There was a motion made last night? I do not think there was a motion last night relating to any time allotted to the other side.

Mr. ABRAHAM. The motion I believe is the motion of the Senator from New Jersey. I believe the agreement with regard to time on that motion is 10 minutes had been reserved.

Mr. BRADLEY. Reserving my right to object, my understanding is Senator NICKLES' amendment was on a second-degree amendment, and Senator NICKLES chose to withdraw his second-degree amendment. I do not think there was ever an agreement on time.

Mr. ABRAHAM. Mr. President, I propose to have Senator GRAHAM proceed. If he chooses to take time off the bill, we will for Senator NICKLES.

Mr. BRADLEY. Mr. President, I have no objection to time off the bill.

Mr. EXON. Mr. President, we can then proceed at this time in the usual fashion. I am pleased to yield 1 hour off the bill of time to be controlled by the Senator from Florida who wishes to address the matter, and I hope the Chair will recognize the Senator from Florida at this time.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, could I ask the ranking member a question? Is the 1 hour under the control of the Senator from Florida, or is it 1 hour equally divided?

Mr. EXON. Under the usual procedures, there is 1 hour under the control of the minority. I have just yielded that 1 hour to the Senator from Florida, and, of course, there is also 1 hour for the Senator from Georgia.

The PRESIDING OFFICER. The Chair would inform the Members of the Senate that, since this is a motion, it is 1 hour equally divided between the sides. That would be 1 hour equally divided between the proponents of the motion, Senator GRAHAM, and 1 hour for the opponents under the control of the Senator from Michigan.

Mr. GRAHAM. Thank you, Mr. President.

Mr. President, in light of the limitations under which we will debate this matter, I will make a few opening comments, and then yield 5 minutes to my colleague from Minnesota.

Mr. President, one of the most significant but not adequately focused upon aspects of this debate is the impact which this reconciliation will have on the most important Federal-State partnership in existence, which is the Medicaid program. This program represents for most States——

The PRESIDING OFFICER. The Chair would inquire: Has the Senator sent the motion to the desk?

Mr. GRAHAM. I have not but I shall in a moment.

This represents for most States 40 percent, or more, of all of their Federal grant in aid programs for highways, education, and law enforcement. Forty percent of all of the funds which come from the Federal Government to assist States in providing services to their people come through this one program of Medicaid.

It is the safety net under our entire health care system. While it represents well under 10 percent of health care spending in terms of the Federal commitment to Medicaid, it represents the safety net for virtually 100 percent of our health care system.

Yesterday, I heard some speakers talk about the fact that we are involved in this reform not just because we need to balance the Federal budget, which many of us, including this Senator, strongly support and have voted consistently for measures that will move toward the balanced budget and are very pleased at the report yesterday that for the third consecutive year we have reduced the degree of the Federal deficit, but beyond that goal of balancing the Federal budget, we need to rid ourselves of failures, of programs that were not functioning, that in some cases were even counterproductive.

Mr. President, while I will suggest some areas in which I believe the Medicaid Program can be improved, I will state emphatically this program is by no definition a failure. In one very dramatic area, infant mortality, this program has contributed substantially to a dramatic reduction in infant mortality in virtually every State. It has resulted in more babies being born at term, at full birthweight, fully able to begin the developmental process, and then it has helped poor mothers to be able to continue the health care for those babies after they were birthed.

This program is a program which has had flexibility to respond to changing circumstances which range in every degree from changes in population to changes in economic circumstances to natural disasters that impose unanticipated burdens upon a particular State.

I will talk later about my concern of the proposals in this reconciliation bill for the severe cuts in the Medicaid program, cuts which will reduce the annual average increase to 1.4 percent in comparison to the private sector's estimate that over this 7 years, private sector health care will increase at 7.1 percent per American citizen over each of the next 7 years; that that kind of disparity represents not a fine tuning of the Medicaid Program but, frankly, a collapse of the Medicaid Program and its ability to serve as the safety net. And finally, that the allocation of funds among the 50 States in the rigid block grant formula is inequitable, perpetuating inequities in distribution

which exist in the current law as well as rendering the program unable to respond to changes in circumstances among our 50 States.

MOTION TO COMMIT

Mr. GRAHAM. Mr. President, with those introductory comments, I send to the desk a motion to commit with instructions.

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] moves to commit the bill S. 1357 to the Committee on Finance with instructions: to report the bill back to the Senate within 3 days (not to include any day the Senate is not in session) making changes in legislation within that Committee's jurisdiction to eliminate reductions in the Medicaid program over the seven year period beyond $62,000,000,000 and reduce revenue reductions for upper-income taxpayers by the amount necessary to ensure deficit neutrality. In addition, the Committee is instructed to achieve the Medicaid savings through implementation of a Medicaid per capita cap with continued coverage protections and quality assurance provisions for low-income children, pregnant women, disabled, and elderly Americans instead of through implementation of a Medicaid block grant.

Mr. GRAHAM. Thank you, Mr. President. I yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair. I thank my colleague from Florida. I rise to support this motion and ask unanimous consent to be included as an original cosponsor.

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

Mr. WELLSTONE. Mr. President, I say to my colleague from Florida, I do not have much confidence about this 2,000 pages plus and what it is going to mean for people in my State of Minnesota that I represent.

The other day in the Chamber of the Senate I had an amendment. I did not mean for it to be symbolic. I thought there would be 100 votes for it. My amendment said that if by virtue of action we take in this reconciliation bill there are fewer children with medical coverage, also more children that are hungry, then we will revisit what we have done over the next year and we will take action to correct this damage. I could not get votes for that. I received 45 votes.

I come from a State with 425,000 Medicaid—we say medical assistance—beneficiaries, projected to be, I say to my colleague from Florida, 535,000 by the year 2002. My State of Minnesota does not have the slightest idea what in the world we are going to do in response to anywhere from $2.5 billion to $3.5 billion—we do not even know yet—of cuts in medical assistance. And I can tell you right now, in all due respect to my wonderful colleagues, in my not so humble opinion, I come from the greatest State in the United States of America. We have done some wonderful things. We are a compassionate State, and we will not walk away from the most vulnerable citizens.

So this a shell game for Minnesota, and for all too many of our States it is a shell game.

Mr. President, 300,000 children are medical assistance beneficiaries in my State of Minnesota, many of them in working families. We will not walk away from those children. So the counties are going to have to pick up the cost. It will be the property tax, Minnesotans.

In my State of Minnesota, we have done some wonderful things to make sure that people in the developmental disabilities community can keep their children at home, do not have to become indigent and poor to get assistance; that people with developmental disabilities may live lives with dignity. But I will tell you what is going to happen. With draconian cuts in medical assistance, my State will not walk away from this community. It all gets put back on the State, all gets put back on the counties. This is nothing but a shell game.

In my State of Minnesota, 60 percent—60 percent—of our medical assistance payments go to our nursing homes. I have been to a lot of those nursing homes, and a lot of the people who are the care givers ask the following question: Senator, what are we going to do with these reductions? We cannot live with these reductions and live up to standards. Are we going to let staff go? Are we going to redefine eligibility? Are there going to be fewer benefits?

This is not just the elderly. These are the children and the grandchildren as well.

This amendment really cuts right to the heart and soul of what we are about here. I was in a debate earlier. We have an estate relief tax break. For those Minnesotans who have $5 million in an estate, they are going get a tax break, I say to my colleague from North Dakota, of $1.7 million. Those are the kinds of giveaways we have. But at the same time we have draconian cuts in medical assistance for people with disabilities, for children and for elderly citizens. And in many ways, I say to my colleague from Florida, I think these reductions are perhaps the most problematical for the States we represent, the most problematical, the most awful, the most god-awful for the counties and local communities that we represent, because in my State of Minnesota we are not going to walk away from the citizens. Somebody is going to have to pay the bill. We are going to have to do it out of the local property tax, and that is going to be the most difficult way of all.

This makes no sense at all. This is, as I have said 1,000 times in the Chamber of the Senate, a rush to recklessness. This is a fast track to foolishness, and I wish my colleagues would look at their language and look at their statistics and look at their charts and read their sentences and understand what the consequences are going to be for the lives of the people we represent.

Let us have deficit reduction, but let us go after some other folks that can tighten their belts. Let us look at the subsidies to the oil companies, coal companies, pharmaceutical companies, insurance companies, estate breaks, and all the rest.

Let us not cut medical assistance to the point where we are denying quality health care for the people we represent. This is an extremely important motion. It is about fairness. It is about economic justice. And I say to my colleagues, it is also about good health care policy. The numbers should drive the policy. We need to have deficit reduction, but we cannot be reckless with the lives of the people we are here to represent.

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

Mr. GRAHAM. Mr. President, I yield 2 minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Thank you, Mr. President.

I rise in strong support of the Democratic leadership amendment, the Graham motion. My Republican colleagues constantly remind us of how important family values are. And I think family values are fantastic, especially the one that says, ''Honor thy father and thy mother.'' I think it is not only a good commandment to live by, I think it is a good public policy to implement.

I believe when we say, ''Honor thy father and thy mother,'' we should have this in our Medicare Program and in our Medicaid Program. A substantial part of the Medicaid Program goes to services to the elderly who are in nursing homes. We have watched this program grow. And it is an important safety net to the American middle-class families. We must preserve Medicaid to be a safety net for the people who have no other resources for long-term care and also for those who are disabled, disabled Americans who rely on Medicaid because they cannot get private health insurance.

My dear father died of Alzheimer's. I could not reverse the tide of him dying one brain cell at a time, but I vowed I would devote my life to fighting for a long-term care policy. That is what the Spousal Impoverishment Act was, a protection, and what we passed in 1988. I am glad that we do not repeal spousal impoverishment. And I hope it does not erode.

I regret that we are now going to cancel out the protections of nursing home grants that looked out for people who were in nursing homes, who were too sick to be able to protect themselves, the laws that prevent restraints and the laws that prevent abuse, that mandates standards, so that when people who have Alzheimer's or Parkinson's or other dementia diseases where we need long-term care, even though we cannot change the course of the disease, we can ensure that they are in a

safe, secure environment. We can be sure of a lot of things if we pass the Graham motion.

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

Mr. GRAHAM. I yield 5 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, it is entirely appropriate that today we focus on the other real aspect of the Medicare debate, and that is Medicaid. Medicare reduces the support for our seniors by 22 percent. The Medicaid legislation reduces it by some 30 percent. Today I want to talk for just a few moments about the children who are going to be adversely impacted by the current legislation that is before the Senate, unless the Graham amendment is passed.

Among the children—in 1993—9.5 million were uninsured. The best estimate is that, under current law, the number of uninsured children will increase to 12.6 million in the year 2002. Under the Republican proposal, 4.4 million additional children will be uninsured in 2002 for a total of 17 million. Even under current law, there will be an upward flow in the number of children who lack health insurance coverage, but the Republican plan makes it even worse.

Just 2 years ago, on a bipartisan basis, under the leadership of Senator ROCKEFELLER, Senator RIEGLE, and others, the Finance Committee passed a program to provide comprehensive health services for children up to the age of 18 who were at or below 185 percent of poverty. We have one intervening election and look what happens? We basically pull the rug out from underneath the children of this country. Eighteen million of them now have coverage under Medicaid. Ninety percent of those children are in families that are in the work force, either full time or part time. These are hard-working men and women at the lower level of the economic ladder that absolutely depend on this program for the range of health services that are provided under the Medicaid Program. And effectively, under the Republican proposal that is before us today, we are saying, ''No longer will there be the guarantees of the prescreening services, no longer will there be the range of different health services for the children in this country.'' And why are we doing it? To provide tax breaks for the wealthiest companies and corporations in this country and the wealthiest individuals in this country.

Not only are we pulling out the rug from underneath the children in this country, but, again, we are pulling out the rug from underneath the seniors by eliminating Federal standards in nursing homes. I was here in 1987 during the time that Congress held some of the most shocking hearings that we have ever had in the U.S. Senate, when we found out what was happening to our parents in nursing homes across this country. We found that there were shocking conditions. And Republicans and Democrats got together and passed minimal standards in order to make sure that our seniors were going to be able to live in nursing homes with some peace and dignity and quality care.

Under this Republican proposal, effectively, we are taking out those guarantees and taking out those standards and at the same time failing to provide the assurance for those seniors and those parents that there will be decent, quality care in the nursing homes of this country.

Mr. President, this makes no sense for the same reasons that the cuts in Medicare make no sense. The Republicans are taking the funds out of the protections for children and out of the protections for the seniors of this country, and using it for tax breaks for the wealthy individuals and corporations of this country. And, Mr. President, in order to remedy that, we should embrace the Graham motion. That amendment offers us the best opportunity to do so.

Medicaid is the companion program to Medicare, and the Republican assault on Medicaid is even more cruel and unfair than their assault on Medicare. The Republican plan would cut Medicaid by $187 billion over the next 7 years.

The country is up in arms over Medicare cuts that would mean a 22-percent reduction a year by the end of the budget period. By the end of that same period, Medicaid will be cut by a staggering 30 percent a year.

In large measure, the Republican cuts in Medicaid will strike another blow at the same groups hurt by the Republican cuts in Medicare—senior citizens and the disabled. Ten million elderly and disabled Americans are enrolled in Medicaid. Twenty-three percent of them—nearly one in every four—will lose their coverage. Seventy percent of all Medicaid spending under the program is for these two groups—the elderly and disabled—and much of it is for long-term nursing home care.

But there is also another group who will be especially injured by the Republican cuts—America's children. Seventy percent of Medicare spending is on the aged and disabled—but 70 percent of the people rely on Medicaid are children and their parents—a total of 18 million children and 8.1 million parents.

Every child deserves a healthy start in life. But under the Republican program, millions of families who have adequate medical care today will be forced to go without such care tomorrow. One in every five children in America depends on Medicaid. One in every three children born in this country depends on Medicaid to cover their prenatal care and the cost of delivery. These children are also guaranteed prenatal care, immunizations, regular check-ups, and developmental screenings. And, they are guaranteed the physician care and hospital care they need.

The vast majority of Medicaid-covered children—90 percent—are in families with working parents. Most of these parents work full time—40 hours a week, 52 weeks a year. But all their hard work does not buy them health care for their children, because their employers don't provide it and they can't afford it on their own. Even Medicaid fills only part of the gaps. Over 9 million other children are uninsured, and each day the number rises. Soon, less than half of all children will be covered by employer-based health insurance.

We tried to address this problem last year, but Republicans said no. Now, they are trying to undermine the only place where families without employer-provided coverage can turn for health care.

The Republican cuts in Medicaid will add 4 to 6 million more children to the ranks of the uninsured. When they are done—one in four American children will have no insurance at all.

These cuts will drastically increase the number of uninsured children. They will eliminate all the standards of quality that protect children today. The guarantee of prenatal care is gone. The guarantee of physician care is gone. The guarantee of hospital care is gone.

Under the Republican plan, senior citizens and the disabled are on the receiving end of a deadly one-two punch. Deep Medicare cuts, and even deeper cuts in Medicaid. Not only will one in four lose their Medicaid coverage, but they will be victimized by one of the cruellest aspects of the cuts—the elimination of any Federal quality standards for nursing homes.

Strong Federal quality standards for nursing homes were enacted by Congress with solid bipartisan support in 1987, after a series of investigations revealed appalling conditions in nursing homes throughout the Nation and shocking abuse of senior citizens and the disabled.

Elderly patients were often allowed to go uncleaned for days, lying in their own excrement. They were tied to wheelchairs and beds under conditions that would not be tolerated in any prison in America. Deliberate abuse and violence were used against helpless senior citizens by callous or sadistic attendants. Painful, untreated, and completely avoidable bedsores were found widespread. Patients had been scalded to death in hot baths and showers, or sedated to the point of unconsciousness, or isolated from all aspects of normal life by fly-by-night nursing home operators bent on profiteering from the misery of their patients.

These conditions, once revealed, shocked the conscience of the Nation. The Federal standards enacted by Congress ended much of this unconscionable abuse and achieved substantial improvements in the quality of care for nursing home residents.

Yet the Republican Medicaid cuts eliminate these Federal standards. It does not modify them. This bill does not reform them. It eliminates them. The House bill even repeals the nursing home ombudsman program that provides an independent check on conditions in nursing homes.

In addition, the cuts in Medicaid are so deep that even conscientious nursing home operators who want to maintain high quality care will be hard-pressed to afford the staff and equipment necessary to provide it.

It is difficult to believe that anyone, no matter how extreme their ideology, would take us back to the harsh nursing home conditions before 1987. But that is exactly what the Republican plan will do.

The Republican plan for Medicaid is an outrage. It says that society does not care about the most vulnerable groups in our country—senior citizens, children and people with disabilities.

In a very real way, Medicare and Medicaid is a lifeline for tens of millions of Americans who have nowhere else to turn. Without access to Medicare and Medicaid, many healthy children and many senior citizens will become sick and many will die. This bill can fairly be called The Sick Child and Dead Senior Citizen Act of 1995.

It is wrong, deeply wrong, to put millions of our citizens at much greater risk of illness and death in order to pay for tax breaks and special favors for the wealthy and powerful. Greed is not a family value. Republicans in Congress who intend to vote for these harsh and extreme cuts should think again before they wash their hands of their responsibility for the consequences of their votes.

These Republican proposals are too harsh and too extreme. They are not what the American people voted for last November. They should be rejected out of hand by Congress.

I withhold the balance of my time and yield it to the Senator from Florida.

The PRESIDING OFFICER. Who yields time?

Mr. ABRAHAM. Mr. President, at this time I would yield 10 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, thank you very much.

I think it is important to put the reforms that are proposed by the majority into context here and to try and speak about those reforms in rational language, instead of the panic and paranoia that has been expressed regarding those reforms.

It has been represented on the floor of the Senate today that the block grant program for Medicaid as proposed would be a collapse of the Medicaid system. I think that is an overstatement by a substantial amount.

Let me just address the issue of what kind of collapse could happen in the event we were to have the block grant program. We began in the State of Missouri, my home State, in which I had the privilege of serving as attorney general for 8 years and Governor for 8 years, a total of 16 years. During that timeframe we began to use managed care under a special waiver from the Federal Government to deal with the needs of those who needed assistance in regard to their medical needs.

And as a result of our experience with that, we have come up with some idea of how much we could do if we were given a block grant compared to what we were able to do under the Federal system of bureaucratic intermeddling and a one-size-fits-all Washingtonian Medicaid Program.

Now, it should be noted after I left the Governor's office almost 3 years ago now, my successor, who is a Democrat, maintained largely the same set of professionals to run the program, so that the individuals who will talk about the program from that experience are not partisan individuals. Earlier this year, the director of the program in the State of Missouri indicated if they had a block grant, they could increase the number of individuals covered from 600,000 under the Federal plan, to 900,000 if they had the flexibility of doing with the funds what a State could do under the flexibility of a block grant.

Now, I do not call the extension of medical services to an additional 50 percent a collapse of the system. I call this an empowerment of State and local governments to be able to do something that they may or may not deem necessary. It gives them the flexibility to meet the needs of the indigent rather than to define this in terms of a collapse.

I was interested with the statement, particularly because it was now a statement from an individual in a Democratic administration of a Midwestern State. And after it appeared in the newspapers around my State last January, I inquired of the individual who came to my office to talk about these proposals in the summer. And I asked him point blank, ''Is this the fact that you could increase the coverage from 600,000 people to 900,000 people if you were absent the redtape, if you had the same amount of money on a block grant?'' His direct testimony was ''yes.''

Now, that is not a collapse of the system. Now, it may be politically expedient to talk about scare tactics and to talk about collapses, but the truth of the matter is, we are not going to provide the basis for a collapse. We are going to provide the basis for meeting needs, and meeting them effectively. And just a few moments after we had the collapse theory expressed on the floor here today, we had the we would not have the slightest idea of what to do theory expressed on the floor today.

I cannot believe that a State as profoundly well disposed as Minnesota would not have the slightest idea in terms of how to meet the needs of their citizens. It is stunning to me. As a matter of fact, they could look to the State of Missouri, or a number of other States, to find out.

Let me just tell you some of the Missouri experience. As a matter of fact, even if we do not have this major reform, Missouri is going to try and continue to expand its ability to serve through managed care. Next year, Missouri would have half of all of its recipients on managed care.

What does the system look like? What does the system look like if States have the right to design the system, because they have been given a partial right in my home State? Here is what it looks like in St. Louis.

Last year, they decided to offer to Medicaid individuals the option for managed care. They asked companies that can provide that managed care to provide proposals. There were eight or nine companies that competed to provide proposals. Seven of them were authorized as a menu so that the people who have needs could get those needs met in a managed care system.

People choose the HMO. People choose the provider system that they want. Nine out of every ten recipients of the program make a choice. The other 10 percent have to be assigned by the State. They do not have enough interest in their medical care to even make their own choice, but they are assigned.

What is interesting to me is this: That at the end of every year, including our pilot program in Kansas City and St. Louis, individuals have a right to switch from one system to another.

If this were a draconian system, if this were an abusive system, if this were a system where there was lots of dissatisfaction, you would expect to see a lot of people switching at the end of every year. You would expect to see people trying to find a better way, looking for a different company, finding a different provider. You would expect to see a tremendous outpouring of rejection of the system of managed care that the block grant would really endow every State with the capacity to implement.

Do you know what? Do you know what the rate of changing providers is every year at the end of the year in the State of Missouri? The rate is 1 percent. There is a 1-percent dissatisfaction rate, individuals—well, they may not be dissatisfied, they may just try something else or they may move to a different part of the city so a different provider would be more convenient for them.

A 1-percent—1 percent—change rate does not indicate a system which is in collapse. It does not indicate a system which is in chaos. You do not have a 1-percent change rate if your system is one where they do not have the slightest idea about how to meet the needs. When you have a 1-percent change rate, you are really doing well.

I cannot imagine a federally operated system where 99 percent of the people

were lauding the system and endorsing it by their sticking with the program, in spite of the fact they had six or eight other options from which to choose.

It has been said this is a shell game. Well, Mr. President, I say to my colleagues, it is a shell game all right to propose that this is chaos or this is collapse. We are not talking about reducing our commitment to individuals who are medically needy. We are talking about our ability to provide for ways of meeting their needs more substantially. If in Missouri we could expand from 600,000 to 900,000, just with ripping out the red tape, it is a shell game to say that we want to keep the old system.

Forty percent growth over the next 7 years in the resources—and if you could have a 50-percent increase in the number of recipients with the current amount of funds and you provide a 40-percent growth, this is empowerment, this is not shell, this is not collapse, this is not chaos, this is compassion, and I mean that seriously.

I just want to say that when we hear these arguments indicating that, ''Oh, we're not going to be doing enough; there are children that are going to''—we have a system which is in collapse. We have a system which is in chaos. It says if to endow States with the capacity to correct the errors is going to promote collapse or chaos, we have collapse and chaos. That is what has happened in the welfare system of the United States. It not only collapsed financially, it has collapsed in terms of its humanity, and it is wasting resources. It is supporting in my State 600,000 people when the same resource could be supporting 900,000 people for medical care.

I might add that in the State of Missouri, this is not a State where we have to spend a whole lot of money to get the 99-percent satisfaction rate. Missouri is far below the national average when it comes to the kind of resources that are required to meet the needs of the medically needy.

So let us just try to set the record straight for a moment. Giving States the right and the opportunity to have cost reduction does not mean they are going to reduce the services. It may mean we are going to improve. It has in the State of Missouri, and I think it can in every other State.

Asking States to exercise their ingenuity in their capacity to rescue a failed system from the Federal Government does not mean we do not have the slightest idea about how we can meet the needs of individuals. I think that is an overstatement, even for Minnesota. I believe they will have a good idea, and I believe they can make it work.

This is an opportunity we have to change a failed system and to move from a failed system to a system that can succeed. It is not a tightfisted opportunity. It is not an opportunity that does not recognize that there will be additional needs. It is a system which provides for reasonable growth, but not unbridled expansion.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, I yield 2 minutes to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I thank the distinguished Senator from Florida, and I certainly support his motion to commit.

Mr. President, what happens to parents who are struggling to try to balance the raising of children and, at the same time, caring for aging parents under the Republican proposal? If a working family gets a new child tax credit but loses Medicaid nursing home coverage for an aging parent, what is the overall effect on that family? The child tax credit is $500 for some families. Not in West Virginia where two-thirds of our families would not get it.

Let us say for some families it is $500 a year, but the loss of Medicaid nursing home coverage in West Virginia would cost from $25,000 to $35,000 per family, because that is what a nursing home costs if you have to pay it yourself.

An example, Julie Sayers of Charleston, WV, cares for her mother who, as the Senator from Maryland was talking about, suffers from Alzheimer's disease, and she cared for her as long as she could at home, as children want to do, but when it came to the point that she could not care any longer, she had to take her mother to a nursing home.

Julie in this case gets a partial child tax credit, much less than $500 under the Republican package, but she cannot get Medicaid coverage for her mother in the nursing home. So what good is it, the child tax credit? What damage does the Medicaid cut do—$182 billion, $187 billion for a tax break for the wealthy.

Julie and her family are going to be a lot worse off under the Republican proposal, not better off, but worse off, and this is a real person caring for a real mother with Alzheimer's in West Virginia today.

Mr. President, I understand Medicaid needs reform, and Senator GRAHAM recognizes that there are responsible ways to reduce the rate of growth in Medicaid spending, but we really should not get down to the business of throwing seniors out of nursing homes. We really should not do that. That, in my judgment, is what the Republican amendment does.

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

The PRESIDING OFFICER. Who yields time?

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, parliamentary inquiry. How much time remains?

The PRESIDING OFFICER. The Senator from Michigan has 20 minutes. The Senator from Florida has 13 minutes.

Mr. ABRAHAM. Thank you, Mr. President.

At this time, I will yield 10 minutes to the Senator from Tennessee, Senator FRIST.

Mr. FRIST. Mr. President, I rise to speak against the amendment and in support of the underlying bill before us. I wish to take a few minutes to outline where we are going with Medicaid today. I have had the opportunity to spend some time in the private sector on Medicaid, and we have huge challenges there—challenges before me as a physician, before hospitals, before the beneficiaries and groups of people that, all too often, could fall through a safety net, and, in fact, today are falling through safety nets. Why? Because of excessive and burdensome regulations we put on the States that prevent the States from carrying out their mandate to provide that safety net through this joint Federal and State program called Medicaid.

The program is not working today. In fact, as most people know, only about half of the people under the poverty level are served by Medicaid today. It was Gov. Bill Clinton speaking before the House Operations Committee, in December of 1990, who said it, laid it out, clearly—as clearly as any of us could today. He said, ''Medicaid used to be a program with a lot of options and few mandates. Now it is just the opposite.''

The problem is that a well-intentioned program—once again, now 30 years old—has layered mandate upon mandate, regulation upon regulation, where we have tied the hands of our regulators, State governments, where they cannot carry out this important goal of serving people who are in need, or who cannot provide for themselves otherwise. The problem is crystal clear.

Again, it is one of these problems which has been laid out before us, which our Governors have told us about, which anybody who has participated in the system at a doctor-patient level, or at a level this Congress could recognize or should recognize. This underlying Republican plan will go a long way toward resolving that problem. The problem is that Federal spending has doubled over the last 5 years. It has doubled the amount of money that is put in from the Federal Government, without any observable improvement in services delivered.

The problem at the State level is that 20 percent, on average, of a State budget now goes to a Medicaid program, and that 20 percent is growing faster and faster and crowding out other State responsibilities.

Third, and probably most important, is the excessive regulation we impose by running this program and micromanaging this program out of Washington, DC, which results in waste, which some resources could be translated into very effective care for populations in need.

Now, the Republican Medicaid plan basically does one thing. It says we cannot micromanage the health care for the populations that have been defined out of Washington, DC. We have failed. We have not been able to control costs, and are only serving about 50 percent of the people under the poverty level.

What we have said overall in this bill is that we are going to give that responsibility to the States, to the people who are closer to home, who can identify the individual needs, strip away the thousands and thousands of regulations which tie the State's hands, and say you address the problem in the way that you see fit. But there are certain ramifications and certain general, broad areas that we say it is important to target.

In this bill we have said that 85 percent of current spending levels for mandatory services are for three distinct populations: One, families with pregnant women or children; two, individuals with disabilities; and, three, the indigent seniors.

The transformation of Medicaid will be, again, very simple. If we compare the old Medicaid to the new Medicaid program, in the past Medicaid has had an open-ended entitlement. Under the new Medicaid, we will move toward this concept of block grants, allowing States to control their dollars. Under the old Medicaid, we had Federal mandates with micromanagement, coming out of the beltway, out of the bureaucracy here in Washington. And under new Medicaid, we give States the flexibility to design the types of plans they think best identify the needs and meet the needs of their citizens.

Under the old Medicaid, it is expenditure-driven, increasing at a rate of about 17 percent a year, again and again. Under the new Medicaid, it will be needs-driven. Under the old Medicaid, there have been unlimited growth rates.

In my State of Tennessee, Medicaid grew by 40 percent just 3 years ago. There is no tax base that can keep up with 40-percent growth. Under the new Medicaid, Medicaid will continue to grow—continue to grow on a base year of 1995, in our particular plan, and grow at a rate of 7 percent next year, and then it will vary thereafter, according to formulas developed by the States.

Again, looking to my own State of Tennessee, what is one of the fundamental problems? On this chart is the Medicaid expenditure growth from 1986 out to 1993. You can see that, on average, as illustrated by the red going across, the growth in Tennessee has been about 22 percent. And remember, this growth of 20 percent is competing in a State budget for other issues, whether it is infrastructure or education; it is crowding out other State expenditures. In 1992, you can see, in one State we had growth rates in Medicaid of 44 percent. It was about 14 percent in fiscal year 1993.

Well, in Tennessee, we looked at three solutions: No. 1, raise taxes again and again and again. That is what we have done a number of times over the last decade. The American people have said, ''We do not want to have our taxes raised again and again.''

Second, we can go through massive health care reductions. In Tennessee, we said ''no.'' Or we can undergo fundamental change. Tennessee is one of six States who got a waiver from HCFA in order to carry out a plan. The plan has had mixed results. Let me show you what the results have been overall. It was a program called TennCare.

Given the flexibility we want to give all 50 States—and only 6 have it today—there were 12 competing managed care organizations who, through a total demonstration project, assumed the care for about 1 million people in Tennessee. Primary care access has been improving over time under the program compared to the old Medicaid system. Nonemergency use of emergency rooms has gone down over time. The number of in-patient hospital days has gone down over time. And the overall budgetary expenditures have been met. In fact, growth there has been flat. But the exciting thing is that the quality of care has increased by overall objective standards and, not only that, the number of people covered has been markedly increased.

In 1993, before this reform plan, if you took the overall population of Tennessee, coverage was 89 percent. By using those Federal dollars sent to the State more wisely, more effectively, with all of the Government regulations stripped away, we were able to improve our overall coverage for all people across Tennessee from 89 percent to 94 percent.

So when you hear that by giving States more flexibility we are, in some way, decreasing access, you can look to Tennessee and say that we are one State that had regulations stripped away and were given that freedom to carry out a program that they thought best identified and covered the needs, and we were able to improve access across the State from 89 percent to 94 percent.

If we look at overall expenditures by allowing one State the flexibility to carry out their program, stripped away of the Federal regulations, we can see, when you compare Medicaid versus the new program called TennCare, which is in yellow here, the overall Medicaid projections growing at 20 percent a year, which are in the color red. The year is along the axis here. Starting from 1987, 1995 to 1998, we can see we have had this progressive growth up to 1995. If we had done nothing in Tennessee, the growth would have continued at 20 percent a year. But having an element of coordinated care, growth has been restrained over time. This is translated into savings for the American people, again, with good quality of care, and expanded coverage, in terms of the number of people covered.

So the final question is: Why can everybody not do what Tennessee did? Well, Oregon might want a different type of system; Hawaii might want another type of system; Missouri might want another system. Let us let people closer to home decide that, but we have to strip away the regulations.

In addition, the other comment might be, well, why cannot people get waivers like Tennessee did—and I participated in that process so I can tell you it is a huge burden to get the waiver.

In fact, on September 22, in a letter sent to the commissioner of the department of finance and administration in Nashville, TN, there are another 9 pages of terms and conditions for Tennessee to try to adhere under. We would do away with those regulations under the Medicaid proposal.

For all these reasons, I support the underlying bill and speak against the proposed amendment.

Mr. GRAHAM. I yield 2 minutes to the Senator from California.

Mrs. BOXER. Mr. President, I cleared it with the managers that I can have 2 minutes off bill debate time and I ask unanimous consent that I be allowed to do that.

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

Mrs. BOXER. Thank you, Mr. President. I will speak to this issue for 4 minutes.

Mr. President, today we learned on the news that America is finally getting it. Mr. President, 57 percent of the people in the latest national poll say that the Republicans are gutting Medicare to pay for a tax cut for the rich.

It has taken awhile for the message to come through but people are waking up to the truth. The Republicans are gutting Medicare. They are gutting Medicaid. They are raising taxes on those who earn less than $30,000 a year to help fund a tax break for the wealthiest Americans. Those who earn over $350,000 a year do just great.

By the way, if you are one of those lucky people to have a $5 million estate, pop open that champagne because unless we Democrats prevail you are going to get millions of dollars back.

Today, the Senator from Florida is giving all Members a chance to modify this radical and extreme budget as it relates to Medicaid.

I have listened very carefully to Senator FRIST, to Senator ASHCROFT, and neither of them address the main issue addressed in this amendment, which is the devastating nature of these cuts, the very size of these cuts.

Let me put it into perspective. In America today, the Medicaid Program costs $90 billion a year. The Republicans want to cut $187 billion out of that. That is 2 years—more than 2 years of expenditures of the Medicaid program over a 7-year period. They are cutting 2 years of Medicaid out of 7 years.

I ask, as a person who works for a living, over a 7-year period, could you afford to be unemployed for 2 years?

Could you afford to lose that much income and pull your family together? I think it is clear that the answer is no.

Do you know what the cuts mean to California? Mr. President, $18 billion. Millions of children will not be served. Millions of working poor will not be served. Emergency rooms will close. Trauma centers will close.

My friends say, oh, there is so much room to be more efficient. California is the most efficient in the Nation. How do we get more efficiency out of a system that is already the most efficient?

The answer is that people will be kicked off the program. Who are these people who are on Medicaid? We should look at them. Who are these people on Medicaid? They are the most disabled people among us, the most disabled children among us—children with spina bifida, children with cystic fibrosis. They are the working poor who cannot get insurance. They are the down and out who maybe lost their job and need help.

By the way, they are the seniors. Two-thirds of the seniors in nursing homes are on Medicaid. I do not know if you have been to a nursing home lately, but buried in this bill is a provision to repeal national standards for nursing homes.

We are not only cutting all of this, we are gutting the standards.

Now, I heard Senator ROTH, the distinguished chairman of the Finance Committee, on the radio this morning saying, ''These Democrats, they do not want change. They want the same old thing.''

I want to respond to that. We Democrats want change, but there is a difference. We want good change. We want change that is good for America.

President Clinton has a record of change—more jobs, less unemployment, AmeriCorps, lower deficit for the first time 3 years in a row since Harry Truman. That is good change.

This is evil change. This is bad change. This is greedy change. Support our friend from Florida.

Mr. ASHCROFT. Mr. President, the Senator from California spoke as if there were going to be decreases in the amount of funding.

I think it is important to just call to the attention of the American people that when we refer to cuts here in Washington we are referring to cuts in the amount of increase. We are not going to take 2 years out of the funding of the next 7 years. We are going to reduce the level of increase. We will still have a 40-percent increase in the amount of resource available.

It is important that we define the situation in terms that the American people would normally use. In that respect, we have a 40-percent increase in funding.

Mrs. BOXER. Will the Senator yield on that point?

Mr. ASHCROFT. Your comment referred to my argument and I choose not to yield.

The second thing that the Senator from California said, how can you get a system more efficient? I think it is clear, we allow States to develop the efficiencies that provide for as much as a 50 percent increase in the delivery of services.

The fact of the matter is, that is what has been shown in the pilot projects in Missouri. Our director of Medicaid says that if he could just get rid of the Federal regs he could move from 600,000 people to 900,000 people with the same amount of money. That is how you get more efficient—take the onerous one-size-fits-all Federal Government out of the picture.

I yield 6 minutes of our remaining time to the Senator from Wyoming.

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

Mr. THOMAS. Mr. President, would it not be interesting to be some kind of out-of-touch observer and walk out and listen to the last day or so, the conversation. It is not a debate. It is posturing conversation.

I just walked in and listened. It would be pretty hard to follow. It would be pretty hard to try and establish from listening here what the goals were and what the purpose was, particularly from our friends on the other side of the aisle.

I think you have to conclude certainly we are not all coming from the same base of facts. I think you have to conclude that in some cases there is not even any clearly defined goals that are being pursued on that side of the aisle.

I think you would have to conclude there is quite a different philosophy—a philosophy of maintaining the status quo, of attacking the proposals without any particular plan, to continue the growth of Government and the size of spending. That would have to be the goal that you would assume from the conversation.

You would be confused when you hear constantly time after time this idea that you are reducing Medicare so that we can increase tax cuts.

The fact of the matter is that part A of Medicare is financed by withholding from wages. It goes into a trust fund. You have two choices when it is growing at 10.5 percent. You can either do something about the cost and reduce that rate of growth or you can add more to the withholding.

I do not hear that proposition being done. Those are the choices. It has nothing to do with taxes. It has nothing to do with balancing the budget. If the balanced budget was not in the picture, you would be talking about how do you take care of part A in Medicare. You do not hear that. That is a fact. That is a fact.

You can probably balance the budget it we stop using all the charts that we have out here, for one thing.

We do have a plan. The Republicans do have a plan. The plan is to balance the budget instead of more debt. A responsible thing we need to do for our kids as we go into another century, we have a plan to have some middle-class tax cuts instead of increasing—the largest increase we ever had—like last year.

I hope we get on into this earned-income tax credit, this 50 percent of people's taxes going up. That is just not the case. You might be reducing some of the payments that have been going under earned-income taxes—it is not increasing taxes. We know that.

We ought to be talking about Medicare solvency. That is what our purpose is. We ought to be talking about jobs and opportunity, instead of welfare dependency. That is what we are talking about here, making some changes that have not been made for years. My friends start by saying yes, we need changes, and then resist them. That has become the pattern here.

Let me tell you just a little bit about Medicaid in Wyoming. Republicans surely have taken a historic approach to it. In Wyoming, spending will rise on Medicaid from $110 million in 1996 to $168 million in the year 2002. That is not really a cut, is it? On an individual basis, the average Federal grant for each person in poverty will grow from $2,188 to $3,263, hardly a cut.

Certainly we need more flexibility. We have heard from some of the former Governors. We heard, of course, from the Governors in the States who say give us more flexibility and we can take these dollars and more effectively run the program. The Governors have asked for more flexibility. The Republican bill mandates benefits for low-income pregnant women, children up to 12, elderly and disabled as defined by the State—those are mandates that are there that, indeed, some of the Governors are objecting to.

Medicaid, as the Senator from Tennessee indicated, has exploded in terms of its growth rate; an annual rate of 19.1 percent between 1989 and 1994. You cannot sustain that kind of growth. So you need to look for ways to deliver the system, to deal with the core problems and that is helping to reduce the costs by giving more flexibility to States to shape their programs. The program in Wyoming for the delivery of Medicaid needs to be quite different than the program in West Virginia or Massachusetts, and we need the flexibility to do that.

So, Mr. President, we have talked about the benefits. States will meet a minimum spending level of Medicaid. For low-income pregnant women, children up to 12, elderly and disabled as defined by the State, States will be required to spend at least 85 percent of the amount they spend in 1995. They will be allowed to put together programs like AFDC and Food Stamps if they choose, to put together a package of benefits.

Regarding nursing home standards, the committee responded to the Governors' requests by granting them authority to write standards under Federal guidelines. States must establish and maintain standards for quality care, which must be promulgated

through their State legislatures—people, I suppose, who have no caring for the elderly. I do not believe that. Most of you have served in State legislatures. Do not tell me the States do not care. I cannot believe what I hear from time to time about that.

So, we do need to make changes if we want to continue to have a program that delivers services. That is what it is all about. I think we ought to take a little look at the long-term goals and the breadth of the goals that are in this bill. They have to do with balancing the budget. They have to do with job opportunities. They have to do with dealing with some of the problems which have brought us to where we are.

I really wish we could talk just a little bit more about the facts. For instance, this tax business that we hear every time someone stands up. Tell me a little bit about part A of Medicare and how that gives a tax offset. I would like to know more about that.

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

Mr. THOMPSON. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, I yield 90 seconds to the Senator from Alabama.

Mr. HEFLIN. Mr. President, I want to make a few remarks about the effects of the proposal to reduce projected Medicaid expenditures by over $186 billion over 7 years on those in Alabama—poor mothers and children, the disabled, and the elderly—who count on Medicaid for their medical and long-term care.

First, and most importantly, the Republicans proposal, if adopted, would immediately place the Alabama Medicaid Program in a state of utter chaos. It would place a gun to the head of the Governor and State legislature. They would be forced to make immediate, savage cuts—about 21 percent—in the program. These cuts, over $386 million, would have to be imposed the current fiscal year, starting in the second quarter of the year.

Let me be very clear about this. These cuts would be imposed on the Medicaid budget that has been in effect since October 1, 1995. The only alternative available to these cuts would be an immediate major increase in taxes on the people of Alabama. This would not happen given the ''no new taxes'' pledge of our Republican Governor.

My second observation is that this sudden cut is only part of the almost $3 billion hit the Republican bill would impose on Alabama. I know the other side claims that Alabama and other States can easily handle these cuts by achieving greater efficiencies in the program. Well, sure they can, and I can tell you how. They can cut poor people off the program by restricting eligibility. For those who remain, access to care can be cut by simply reducing payments to providers, doctors, hospitals, and nursing homes, below the costs of their services. At that point, these services will no longer be available.

Finally, Mr. President, our Republican colleagues repeatedly assert that all of these cuts are not real, they are simply reductions in the rate of increase. However, as we have finally had an opportunity to examine the details of the bill, we find that in some important instances this is simply not the case. For example, the Medicaid proposal cuts funds going to hospitals that care for a disproportionate share of patients that do not have insurance or other means to pay for their care as reduced immediately by 56 percent. I repeat, this is a real cut of $185 million. According to Dr. Claude Bennett, President of UAB, almost 30 percent of Alabamians are medically indigent and responsibility for providing care to them falls largely upon their University Hospital. Dr. Bennett is correctly concerned that it can continue to shoulder this burden which will surely increase in the face of these cuts.

Now, I know, Mr. President, that in the backrooms the majority is continuing to cut deals in an effort to fix up this disaster. States are pitted against States. If Alabama gets its situation improved, which it must, the poor in some other States will suffer. The bottom line is this—these Medicaid cuts are simply too much, too soon. Our State will not be able to cope without hurting people. We must rethink what we are doing.

REAL FAMILIES VERSUS REPUBLICAN RHETORIC

Mr. ROCKEFELLER. Mr. President, Republican rhetoric is that working families will be helped, but I question if this will be true for real families in West Virginia.

This Republican package seeks to cut Medicaid funding by a whopping $187 billion over 7 years. But people deserve to understand what such harsh cuts mean. Medicaid covers poor children, pregnant women, the disabled, and low-income seniors who need nursing home care. What happens to these people and their families when we slash Medicaid funding?

Coming from West Virginia, when I think of a family, I think about the children, parents, and grandparents. What happens to parents struggling to balance raising children and caring for aging parents?

If a working family gets a new child tax credit but loses Medicaid nursing home coverage for an aging parent, what is the overall effect on that family? The child tax credit is $500 a year for some families lucky enough to qualify, but the loss of Medicaid nursing home coverage will cost those same families $16,000 to $30,000 a year.

For example, Julie Sayres of Charleston, WV cared for her mother who suffers with Alzheimer's disease as long as she could at home. But as her mother's illness got worse, she had to move to a local nursing home where Julie can visit her daily. Julie may get a partial child tax credit of $500 under this package, but if she cannot get Medicaid coverage for her mother in the nursing home when her mother's meager savings are exhausted, Julie and her family will be much, much worse off. That child tax credit will not cover even a month of nursing home care for her mother.

This is real story about a family hurt, not helped by this package.

In my State of West Virginia, over 21 percent of our residents rely on Medicaid, and I worry about what will happen to them and the health care system in my State as it tries to absorb more than $4 billion in cuts—West Virginia simply cannot afford this.

A headline from the Charleston Daily Mail last week reads: ''[Medicaid] Cuts May Affect Infant Mortality.''

This catches one's attention. It demands closer scrutiny and careful thought. The article reports:

> With the help of Medicaid-funded programs, West Virginia's infant mortality death rate decreased from 18.4 deaths per 1,000 in 1975 to 6.2 deaths per 1,000 in 1994, better than the national rate of 8.0 deaths per 1,000 births.
>
> Medicaid has greatly increased poor women's opportunities to get medical care, said Phil Edwards, the administrative assistant for the Bureau of Public Health's Division of Women's Services. ''By making them eligible, they go in for prenatal care earlier than they would otherwise,'' he said. ''Every dollar you spend on this side in prevention, you save four on the other side where you don't have to treat an at-risk patient,'' Diane Kopcial of the state maternal and child health office said.

Mr. President, I believe this article should make us all stop and think before we impose such cuts in Medicaid. Do we really want to jeopardize nursing home care for seniors? Do we really want to slide backward on infant mortality?

I do not want to go backward. I understand that Medicaid needs reform and our amendment recognizes that there are responsible ways to reduce the rate of growth in Medicaid spending. But we should not throw seniors out of nursing homes, deny poor mothers access to prenatal care and possibly return to times when our infant mortality rate rivals some Third World countries, or turn our backs on the disabled.

We should think about the real families in West Virginia and cross this country who depend on Medicaid for basic, vital health care.

Mr. President, I ask unanimous consent that the full article from the Charleston Daily Mail, be printed in the RECORD.

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

[From the Charleston Daily Mail, Oct. 20, 1995]

CUTS MAY AFFECT INFANT MORTALITY

The state Medicaid Crisis Panel began wrapping up its work as health officials expressed concern that federal cuts in the program could reverse progress the state has made reducing infant deaths.

The panel appointed by Gov. Gaston Caperton will recommend ways to cut $200 million out of the Medicaid program this year to balance the budget. It recommend long-term changes that should prepare the program to handle likely federal cuts.

Medicaid is a health care program for the poor and disabled. The federal government pays 75 percent of the cost and the state pays the rent.

At the insistence of Administration Secretary Chuck Polan, the Department of Health and Human Resources will prepare a priority list of money-saving measures it already is taking and those it thinks the state should take.

The list, with the amount each change would save, will be presented at the panel's meeting next Thursday.

The group will begin discussing its recommendations then, but will meet final time on Oct. 29 to reach an agreement, said Chairman from Haywood.

Meanwhile, state health officials and worried that proposed federal Medicaid cuts could increase infant mortality.

With the help of Medicaid-funded programs, West Virginia's infant death rate decreased from 18.4 deaths per 1,000 births in 1975 to 6.2 deaths per 1,000 births in 1994, officials said. The national rate is 8.0 deaths per 1,000 births.

Diane Kopcial of the state maternal and child health office said that when Medicaid expanded in the 1980s the state:

Recruited physicians to care for Medicaid patients.

Built a referral system with hospitals in Charleston, Morgantown and Huntington.

Began the Right from the Start program to serve Medicaid-eligible woman during their pregnancies and 60 days after they give birth. It also serves infants up to age 1. The program provides nutritional counseling, parenting education, and transportation to medical appointments.

The Women, Infants and Children program also provides nutrition and health education, free food and breastfeeding information for women and children under 5.

Medicaid has greatly increased poor women's opportunities to get medical care, and Phil Edwards, the administrative assistant for the Bureau of Public Health's Division of Women's Services.

''By making them eligible, they'll go in for prenatal care earlier than they would otherwise,'' he said.

''Every dollar you spend on this side in prevention, you save four on the other side where you don't have to treat an at-risk patient,'' Kopical said.

Mr. SARBANES. Mr. President, I rise today to join my Democratic colleagues in opposition to the Republican proposal to replace the joint Federal-State Medicaid Program with a block grant to the States.

Medicaid currently guarantees that 36 million low-income pregnant women, children, disabled, and elderly Americans have access to hospitals, physicians, nursing homes, and other basic health care. The Republican plan would eliminate this guarantee and cut Medicaid by $182 billion by the year 2002.

What the Republicans are proposing is to cut Medicaid and then lower the standards States must meet because they know that the standards cannot be met with the lower level of funding. In a recent letter to Members of the Senate, the National Association of Counties expressed quite correctly the natural consequence of this proposal. I quote from that letter:

We do not believe that States will find enough budgetary efficiencies without reducing eligibility. The flexibility given to States in the operation of the proposed restructuring will trickle down to counties in the form of flexibility to raise property taxes, cut other necessary services or further reduce staff.

The Republican plan endangers the future health, well being, and productivity of millions of low-income pregnant women, poor children, and disabled Americans. It jeopardizes the long-term care of millions of our elderly. And these sweeping policy changes have been proposed, passed out of committee—and may well be passed by the Senate—without one official public committee hearing.

Because of this, I joined with a number of my Democratic colleagues earlier this month in convening several hearings on the Medicaid and Medicare programs. We wanted to hear from the people who will be affected by the proposed changes. During those hearings, we heard some very moving testimony regarding the impact the Republican plan to cut Medicaid will have on the lives of average, hard working middle-class Americans. Since many Members were unable to hear this very moving testimony, I would like to insert in the RECORD one of the more compelling statements presented at these hearings by Ms. Mary Fitzpatrick from Dickson, Tennessee.

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

TESTIMONY OF MARY FITZPATRICK

My name is Mary Fitzpatrick. I live in Dickson, Tennessee, about 50 miles outside of Nashville. Once again, I am in Washington to speak on behalf of the rights and needs of citizens in nursing homes. I use the word ''again'' because it was eight years ago that I sat before members of Congress and described a pattern of neglect and poor care that led to my mother's death in a nursing home in 1984. I spoke then because I wanted to do whatever I could to prevent another human being from the pain and denial of dignity that my mother, Maggie Connolly, endured. I did not want any other family to have to bear the agony of watching a loved one suffer because of lack of basic services and a system that fails to protect frail, vulnerable people. And I want to spare others the despair my family felt trying to persuade the state of Tennessee to enforce nursing home standards.

The account I gave eight years ago helped achieve bipartisan support for the 1987 Nursing Home Reform Act. Imagine my shock in learning of the current proposal to undermine this law.

I cannot believe Congress would consider returning to a system that renders quality nursing home care an option for states, especially when I know what the state did for my mother—absolutely nothing.

Obviously, lawmakers in Washington are out of touch with ordinary people. And that's who people in nursing homes and their families are—ordinary individuals seeking a safe setting and adequate services during en emotionally, physically trying time.

Ordinary people understand the need to control the federal deficit. Ordinary people realize the importance of ensuring accountability for public dollars paid to the nursing home industry each year.

What is beyond our comprehension is how elected officials can support a proposal that will hurt people who can not speak out for themselves.

As I explained in 1987, after my mother's admission to the nursing home, my daily routine soon became one of cleaning up my mother's waste, bathing her and changing her linen as soon as I arrived each afternoon. The facility denied my mother this basic care. I even had to fight for the supplies to provide that care myself.

My mother raised three children, and until a stroke at age 47 had worked in a bag manufacturing plant. Prior to her admission to the nursing home, she suffered from Parkinsons disease and congestive heart failure and lost her ability to speak. In 1983, her condition quickly deteriorated. After a two week hospital stay, she became incontinent and her doctors advised us she would need to go to a nursing home. I favored a nursing facility near my home. Unfortunately, my mother's source of payment, Medicaid, was not preferred by that facility which refused her admittance.

Upon recommendation and a tour of the chapel, lunchroom and some of the residence floors, we chose a facility then called the Belmont Health Care Center. From day one, my brother, sister and I visited mother regularly. My brother even changed shifts so that he could see her each afternoon,. I would come by directly from work, missing dinner to stay until 8:30 or 9:00 p.m. Weekends also involved regular visits from family and friends. There was never a day during my mother's nursing home stay that she did not receive care and attention for several hours from family members or friends. Still, the problems began almost immediately.

On the third day of my mother's nursing home stay, I found her seated in her own waste in a wheelchair. Giving up on finding any staff to assist me, I changed mother's clothing and cleaned her up myself. Soon after I was unable to find any clean linens and was informed of a new policy allowing each residents just two sets of linens. I was persistent and was able to obtain some fresh linens. But there was always a shortage of supplies and on many days, I had to search the linen closets on several floors to find a single set of clean bed linens.

Within six weeks my mother developed her bed sore. Eventually the sores covered her body, making it impossible for her to lie without pressing on the painful skin ulcers. By the time she died eight months later at the age of 75, one of the original sores measured about three inches across and nearly two inches deep. The staff never carried out the instructions on regularly repositioning her. My brother, sister and I would turn her while we were there, but she was supposed to be turned every two hours around the clock. Nor was there sufficient staff to properly care for my mother's bed sores. Two nurses showed me how to clean the bed sores and told me where to purchase special medical dressing. I bought and used them regularly, but the nursing home administration continued telling me that they couldn't find out whether the pharmacy carried these dressings.

There were other problems. Residents like my mother who were unable to reach out for water could go for many hours without anything to drink. My mother's roommate told us how my mother once had dabbed a Kleenex and spilled water on a tray and held it in her mouth to relieve her thirst. Throughout this ordeal none of the family or friends caring for my mother knew where to go for help. Finally a friend located someone on the

Tennessee Department of Health and Environment Nursing Home Inspections staff. I called him and explained our concerns about retaliation. He promised confidentiality and said someone would be out within the next few days. But it wasn't until a few weeks that a state inspector came. One of my complaints involved getting proper care for my mother's bed sores.

Then two days after the state inspector's visit I came to the facility and found my mother's sheets soaked in blood. She was lying on her side crying. I pulled back the covers and saw her bed sores had been debrided, which means surgically cut to remove the dead tissue. I was shocked to find that the procedure had been performed at the nursing home instead of the hospital. Given the seriousness of the bed sores, she must have been in agony. But when I asked what they could do for the pain, I was told, ''Tylenol is all we can give.''

I think mother probably went into shock. But, in any event, she died two days later on July the 7th, 1984. When I was getting ready to go to the funeral home the state inspector called me to say that they had been out a few days before to investigate my allegations of three weeks ago. He said I would be pleased to know that most of my complaints had been substantiated. I told him it was too late. My mother was dead.

The undertaker told me he had never seen a body is such bad condition, and that he had to enclose the lower half of mother's body in a plastic bag. One of the most disturbing things about this whole ordeal is that my mother was aware of what was going on, even though she could not express herself, other than through gestures and facial expressions. And, all the while, I was haunted by the fact that other people in nursing homes, both young and older, were going through the same hell that my mother went through.

It has been very difficult to have to relive this experience the second time around. But, it is even harder to accept the fact, Congress is preparing to destroy a law that would have saved my mother and so many others, so much pain and suffering. Thank you for the chance to speak. I would be glad to try and answer any questions.

Mr. SARBANES. Mr. President, Ms. Fitzpatrick laid out before us in detail commonly found nursing home conditions before passage of Federal nursing home minimum quality standards. The Republican plan we are considering would repeal the minimum quality standards for nursing homes. In my view, such a proposal is mean spirited and illogical.

Morton Kondracke in a recent column described the consequences of this proposal:

The Republicans need to face up to the fact that, if they go through with their planned reforms in poor people's healthcare, instances of abuse, neglect, broken bones, urine-soaked beds and filthy surroundings will multiply in the years to come.

Mr. President, those were the very conditions that led to the enactment of the 1987 legislation. And now they want to repeal these standards. They want to repeal them because they know that without them some nursing home—some, not all—but some nursing homes will be able to absorb the reduced funding by lowering their standards of care. They will return to the old days of mistreatment and nontreatment which Mary Fitzpatrick and Morton Kondracke described as a means of cutting costs to respond to the slashed funding. Other nursing homes—the ones that do not lower their standards—may simply stop serving those families which cannot afford to pay $50,000–$60,000 a year for nursing home care. And who will this affect? The 4 million elderly who depend on Medicaid for their nursing home care and their families.

Mr. President, our Government should not renege on its commitment to ensuring that millions of needy, disabled, and elderly Americans receive essential basic health care. The Republican proposal, which would eliminate such guarantees, could have disastrous consequences for many citizens, and I would strongly urge my colleagues not to go down this path.

Ms. MIKULSKI. Mr. President, I rise today in strong support of the Democratic leadership amendment to restore over $125 billion to the Medicaid Program.

Our Republican colleagues constantly remind us how important family values are to them. I think that's great. Families are the backbone of our society. They provide nurturing and loving environments for our children. They provide stability and safety, and foster values we need to become better people and a better society.

What are family values? I'll tell you what I think they are. I think family values are honoring your mother and father. I think family values are honesty—keeping promises. Family values are care and dedication to the well-being of those you love.

Family values are not breaking promises, they are not telling your mother and father that they'll have to do without medical care, and they're absolutely not about risking the safety of your parents when you can no longer provide the care they need and have to put them in a nursing home.

Mr. President, there are 18 million children in the United States who depend on Medicaid. There are more than 900,000 elderly people who depend on Medicaid for their nursing home care. There are 6 million disabled Americans who depend on Medicaid.

The wealthy won't be affected by these draconian cuts. It's likely that the vast majority of the 100 Senators in this room won't be affected, nor will most of the 435 Members of the House.

The people who are affected are normal, regular, everyday Americans. Not big-time lobbyists; not big-money campaign contributors. The people who are affected are people like my neighbors, my mom, and the kids who go to St. Stanislaw's Catholic School right down the street from me.

Mr. President, there are 6 million disabled Americans who rely on Medicaid because they cannot get private health insurance. It's not because they don't want it. It's not because they can't afford it. It's because no private insurance company will cover them. Without Medicaid, where will they go? I believe that I am my brother's keeper. We have a responsibility to our fellow women and men. Make no mistake about it.

Mr. President, Medicaid is a program that benefits a broad spectrum of Americans. One in five children in America—18 million kids—receive their health coverage through Medicaid. One in five. Healthy children are the first step to a strong America. The next generation must be healthy in body and mind in order to make the large contribution to our society that we're all trying to prepare them for.

These kids don't understand Medicaid. They don't understand the process, and, quite frankly, they probably don't care. But their parents do. Their parents worry themselves sick about whether or not we're going to take away their ability to get medical care for their kids.

I worry myself sick about that too. But there's a difference. I have a vote on this floor, and I have the bully pulpit. And I want them to know that I'm on their side. I'm fighting for them. I want the parents of the 18 million children on Medicaid to know that I stand ready to help them help themselves.

I'm glad this legislation does not repeal the Spousal Impoverishment Act. I authored this act in 1988. And I'm here to tell you I'm standing sentry to make sure this critical protection is maintained.

My dad died of Alzheimer's disease. My mom, my sisters and I made use of a long-term care continuum in Maryland. We took Dad to a geriatric evaluation center at Johns Hopkins to be sure we knew what was wrong with him and how to keep him at home with us longer. We used adult day care to stretch out his ability to stay with us and to help with respite care for my mother—a heart bypass survivor. But we reached a point when we knew we couldn't give him the level of care that he needed. And we had to bring him to a nursing home.

I visited my dad all the time at his home. It wasn't a Cadillac, Gucci-style nursing home. Dad would have hated that. It was a real nursing home with real patients who had real families.

Over time I got to know those families. I listened to their stories—to their trials and their tribulations. I heard stories about how you had to spend down your life savings to $3,000 before you could qualify for help. Families had to go into bankruptcy while they were trying to practice family responsibility.

My dad wasn't the kind of guy who wanted a fancy tombstone. He wanted to make sure that what he left behind would help others. I made a promise that I'd try to change the cruel rules of Government that penalize families who have saved all their lives.

I'm so proud that with the help of great men like Lloyd Bentsen, George Mitchell, TED KENNEDY, and the members of the Finance Committee, we changed that law so that now you can

keep your home, you can keep assets up to $15,000, and the spouse at home can have an income of up to $1,000 a month. So, I'm glad that this won't be repealed, and I want to make sure it never, ever is. I want all Senators to know that in this regard, we've done well by the American people.

Unfortunately, I cannot say the same for the rest of the bill. In this legislation we are repealing nursing home safety standards! That is horrific.

As I just said, my father was in a Chevy Cavalier nursing home—not a Cadillac nursing home. But we all knew that he would be fed, he would be taken care of, he would receive his medication, we wouldn't have to worry about restraints, we wouldn't have to worry about abuse. We knew that because of the standards, dad would be safe.

In 1983 Congress commissioned a study by the Institute of Medicine at the National Academy of Sciences. This study revealed shocking deficiencies in nursing home care. In 27 States, at least one-third of facilities had care so poor that it jeopardized health and safety.

Some nursing home residents have been treated in conditions which are worse than prisons. Worse than prisons!

In 1987 Senator PRYOR led the charge to enact the standards which now protect nursing home residents. He's still leading that charge, and I thank him for that.

Now we want to repeal those standards? Not this Senator. I will not, under any circumstance, allow anyone in this body to put the lives of men like my father at risk.

Saying ''yes'' to this amendment says yes to keeping promises, it tells our seniors, our children and the disabled that we care about their well-being. That we will help them if they've played by the rules and if they're making the effort to help themselves. And that we will not let those few nursing home profiteers put them at risk in the name of turning a buck.

I urge my colleagues to support this amendment.

Mrs. FEINSTEIN. Mr. President, I rise today to support the amendment offered by Senator GRAHAM.

The bill before us creates a Medicaid block grant, a blank check, to States with virtually no rules, no specified benefits, no rules of eligibility.

The amendment would retain the current Medicaid Program, but impose a spending limit per individual recipient, an individual cap. This approach would hold down cost increases without undermining Medicaid as a health insurance program.

MEDICAID IN CALIFORNIA

Medicaid, called Medi-Cal in my State, pays for health care for 6 million Californians. Out of these 6 million, 38 percent are children. Medicaid pays the bills of over 60 percent of children in California's children's hospitals. At Oakland Children's Hospital, it pays for 70 percent.

Medicaid provides 70 percent of hospital care to the poor in my State. Of total Medicaid dollars, over 59 percent is spent on the elderly and disabled and 41 percent to families.

One million Americans are infected with HIV/AIDS. In California, there are over 150,000. Medicaid provides health insurance for 40 percent of all people with HIV/AIDS, including 90 percent of all HIV-infected children. In California, Medicaid pays for 50 percent of all HIV/AIDS care. Medicaid pays for 55 percent of HIV-related public hospital care and 41 percent of private hospital care.

In my State, Medicaid paid $719 million for emergency services for illegal immigrants, last year, according to the California Department of Health Services.

Medicaid is a fundamental health safety net in California, insuring everything from basic inoculations for poor children to sophisticated advanced treatment for AIDS.

MEDICAID COST INCREASES

As a former mayor, I know the difficulty of balancing budgets and keeping costs under control. And there is no doubt that Medicaid costs, along with general health care inflation, have grown at double digits, creating tremendous pressure on government budgets at all levels.

The amendment before us reins in Medicaid's growth, but instead of cutting $187 billion, it cuts $62 billion, one-third of the cut in the Republican bill.

WHY THE GRAHAM AMENDMENT IS BETTER THAN THE ROTH BILL

Why is this approach preferable to the committee bill?

First, it does put restraints on spiraling costs.

Second, it preserves coverage for those who cannot get health insurance on the private market because of costs or the individual's health condition.

Third, a per capita cap can respond to changing conditions—population growth, recessions, base closings, natural disasters, immigration.

CALIFORNIA AND FLUCTUATIONS

The per capita cap approach in this amendment would enable my State to respond to all the economic fluctuations that we live with daily.

Unemployment in California has not dropped below 7 percent since 1990. While the country added 3 million jobs between 1991 and 1993, California lost nearly 450,000.

Base closures and realignments have erased more than 200,000 jobs, sucking $7 billion out of the State's economy. Defense and aerospace industries are downsizing.

Some 6.5 million or 23 percent of our nonelderly population are without health insurance. In some urban areas, the uninsured rate is as high as 33 percent. Over half, 58 percent of the uninsured, are children and young adults.

Employer-provided health insurance is declining. Two-thirds of Californians employed by firms with fewer than 25 employees do not receive health insurance.

California is home to 38 percent of all legal immigrants in the U.S.

A flat block grant with a fixed pool of money cannot respond to changing needs like this. A formula that is responsive to numbers of beneficiaries, like this amendment, can.

NURSING HOME CARE

The amendment before us would preserve nursing home standards, standards that S. 1357 eliminates.

Responding to a National Academy of Sciences report, Congress in 1987 enacted nursing home standards to promote quality of life of nursing home residents and to prevent abuse and neglect. This bill repeals those standards, rules designed to prevent bedsores, dehydration, malnutrition, infection; rules designed to protect privacy and human integrity. These standards have reduced injury and cut the use of chemical restraints, which in turn has reduced costs.

In California, 65 percent of our 113,000 nursing home residents rely on Medicaid. This is 113,000 elderly and disabled people, patients with, for example, Alzheimer's, AIDS, and ventilator needs.

Twenty-one percent of nonelderly nursing home residents are disabled. Seventy-five percent of nursing home residents are women. The typical nursing home resident is an 83-year-old widow with multiple chronic conditions, such as crippling arthritis or osteoporosis.

We should not take away these minimal protections for the most frail and make them victims again.

MEDICAID—A MIDDLE-CLASS PROGRAM

Medicaid is health insurance for low-income Americans and the disabled. But it is important to understand the implications Medicaid has for the middle-class. Nursing home standards, which are required as a condition of receiving Medicaid payments, benefit every nursing home resident of whatever income.

By cutting Medicaid, we add to the rolls of the uninsured which means that more people show up in emergency rooms with exacerbated illnesses. We all pay for that.

Medicaid reimbursement to our public hospitals enables these hospitals to have up-to-date trauma centers and emergency rooms which serve Medicaid and non-Medicaid patients. These are critical institutions in many communities on which we all depend. Indeed, these institutions are at the economic core of thousands of communities and they provide jobs.

A BASIC PROTECTION

The committee bill makes drastic cuts in Medicaid and it revamps the program in a way that cannot respond to the growing needs of California and changes a steadfast program of health insurance to an arbitrary, ill-defined block of Federal funds.

The bill purports to transform Medicaid. I'm afraid that it destroys Medicaid.

I oppose the committee bill. I commend my colleague from Florida for his amendment and I support him.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, I yield the Senator from Washington 2 minutes.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I thank my colleague from Florida for this very important amendment he has brought before us today. It seems, so often when we come out on the Senate floor, we get caught up in the charts and graphs and ''Senatese'' terms that we hear so often and we forget what we are doing affects very real people and very real families across this country. I want to talk about one of those very real people. He is a young child. He is 21 months old. He lives in my State. His mother wrote me a desperate letter saying, ''Please do not take away Medicaid.''

Her son, Abe, was born with a severe medical disorder. He needs a modified ventilator to breathe 22 out of every 24 hours. In his short 21 months, he has had many surgeries to help put fingers on his hands, to help him breathe, to help him live. His mother said, without Medicaid, Abe would not be here.

This mother is desperate because she knows, as all of us do, that if we change this bill in the way that is being proposed by the Republicans, she will have to fight for Medicaid coverage with everyone else in my State who is desperately going to be looking for help, and it is very likely that Abe will not have his ventilator once this goes to our States.

I went out and I talked to hundreds of parents in my State who have children at Children's Orthopedic Hospital in my home State. These are parents who did not expect to have a child with a severe medical disorder. They did not expect to have a child with asthma, who was in the hospital every other week. They did not expect to have a child who had leukemia. And they did not expect that they would have to quit their job to stay home and take care of that child. They did not expect that their own medical insurance would run out within a very short time because of the limits on insurance. And they never expected to have to turn to the Federal Government to ask for help.

But I can tell you everyone of those parents needs our help and this amendment will send that assurance back to them. I urge my colleagues to support it.

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

Who yields time?

Mr. ABRAHAM. Mr. President, how much time is left on each side?

The PRESIDING OFFICER. Two minutes for the Senator from Michigan and 7 minutes and 30 seconds the Senator from Florida.

Mr. ABRAHAM. I would prefer not to use our 2 minutes at this point.

Mr. GRAHAM. Mr. President, I ask unanimous consent that off of the general debate on the bill there be 3 minutes yielded, one of which will be yielded to the Senator from Wisconsin as well as 1 minute for debate of this motion.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I thank the Senator from Florida and I thank the Chair. If we do not make changes very quickly, I am very concerned that older people in our society are going to get the message from this budget that we have changed our attitude toward their contributions in building this society. What other impression are senior citizens supposed to get, when a huge percentage of balancing the budget is based on enormous, and I think in many cases unjustified, changes in Medicare, changes that will increase the premiums of seniors in this country well beyond what they would have been.

Equally bad is something that is being discussed, as we sit here today, over in the Senate Aging Committee, namely the completely unjustified elimination of the Federal nursing home regulations from OBRA 1987. What fiscal or other justification is there for saying to older people who now must be in a nursing home after a hard life, a life of work and contribution to country and family, that we are not going to be sure on a national level that people are protected from unhealthy and unsafe conditions?

Those of my colleagues who served in State legislatures, or served as Governors of their State, will certainly confirm that Medicaid makes up a huge portion of the State budget.

And, Mr. President, if they have any passing knowledge of their State's Medicaid program, they will also confirm that the bulk of the Medicaid budget, and the source of the greatest growth in that budget, is probably the growing demand for long-term care services, typically nursing home care.

This is certainly true for Wisconsin.

But, Mr. President, in Wisconsin, back in the late 1970's, we came to the realization that unless significant reforms were enacted, the rapidly increasing nursing home use would be too heavy a load for the States' budget to sustain prudently.

Through a bipartisan effort—and Mr. President, I stress bipartisan because Governors and legislators from both parties supported the effort—we made some significant reforms to our long-term care system.

The centerpiece of that reform was the creation of a home and community-based program, called the Community Options Program, or COP.

COP provides flexible, consumer-oriented and consumer-directed services that help keep the disabled of all ages in their own homes and communities.

It builds upon the existing set of so-called informal supports—the caregiving done by family members and friends.

Mr. President, the results have been dramatic.

Between 1980 and 1993, while Medicaid nursing home use increased by 47 percent nationally, in Wisconsin Medicaid nursing home use actually dropped 15 percent.

Mr. President, long-term care reform is the key to taming our Medicaid budget.

But that is not the route pursued in this bill.

Instead of a comprehensive reform that would help States cope with the growing population of those needing long-term care services, this bill cuts and runs.

It cuts the Federal Government's share of this growing burden by $182 billion over the next 7 years.

It runs away from the problem of a mushrooming population needing long-term care by block granting the program and dumping responsibility in the laps of State policymakers.

Mr. President, this is a prescription for disaster.

For 30 years, States have made policy decisions based on one set of rules.

Based on those rules, over those 30 years an infrastructure of long-term care has evolved that is heavily skewed toward expensive, institutional care.

That was not by accident.

The system that developed in that time produced the incentives that resulted in this institutional bias.

But, Mr. President, that infrastructure cannot change overnight.

And it certainly will not change simply because the Federal Government slashes funding and runs away from the problem.

Just the opposite is likely to happen.

Today, Medicaid is essentially a provider entitlement.

Providers of specific services are funded, and that infrastructure, which has been so influential at both the State and Federal level in writing the rules which produced the system we have today, is not going to disappear.

That skewed infrastructure is well situated at the State level to win the fight for the pool of resources this bill greatly reduces.

This bill is not reform; it merely makes a flawed situation even worse.

The same problems that exist in Medicaid today will exist under this bill.

Mr. President, I urge my colleagues to support this motion to commit, and let the Finance Committee craft a product that will let States wean themselves off of their addiction to expensive institutional services and instead move toward helping families keep their disabled loved ones at home, utilizing consumer-oriented and consumer-directed home and community based care. So I hope we support the Graham amendment.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, I wish to reserve the balance of our time including the additional 2 minutes which were yielded for my close.

I yield to the Senator from Michigan for any final debate in opposition to the motion.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, I yield myself 1 minute to just recapitulate the point that has been made on our side in the last hour of debate.

Our position is quite simple—that if States are given the kind of flexibility that has in part been given for waivers to run Medicaid Programs, they can bring down the rate of growth of these programs far more effectively than a Federal bureaucracy in Washington; that, indeed, the growth rates are growth rates that decrease but growth in spending that has been outlined in the reconciliation bill can still provide the sorts of benefits that all of us want to see for our citizens, if we let the States, the people closest to those in need, run these systems.

In my State of Michigan, our Governor, our legislature, and our department of social services insist that they can make our program even more efficient at the rate of growth that is proposed in this legislation if they are simply given the opportunity to do so. We have come to a point when health care costs are skyrocketing in the public sector but are being brought under control in the private sector through such things as competition and other market factors.

Let us give the States the chance to do some of the same things this legislation does. That is the reason we have included this approach and State flexibility in the reconciliation package.

At this point, I yield the remainder of our time to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the St. Louis Post-Dispatch from January 31, 1995, which bears testimony to the fact that:

> Missouri also wants to start a managed care system for its 600,000 Medicaid recipients. It would use the money saved to provide medical coverage to another 300,000 Missourians who do not qualify for Medicaid coverage now and who also cannot afford insurance.

So it would really provide insurance for about half of the individuals who currently are uninsured in the State. That is what the promise of this potential is.

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

[From the St. Louis Post-Dispatch, Jan. 31, 1995]

GOP GEARS UP TO GRAPPLE WITH MEDICAID: STATES COULD DESIGN OWN PROGRAMS

(By Kathleen Best)

Republican Congressional leaders said they would take up legislation in the next few weeks that could dramatically change the way states provided medical services to the poor.

Illinois Gov. Jim Edgar said after a meeting with GOP Congressional leaders that they were willing to consider giving states lump-sum payments and letting them design their own health-care programs for the poor.

''Let us determine who's going to be in the program,'' Edgar said. ''If the money's not there, then we'll have to make some tough decisions.''

In return for greater state flexibility, the states would have to agree to hold down future costs, which they split with the federal government.

''They seemed very sympathetic and agreeable to giving us flexibility,'' Edgar said. ''And they said they would like to try to get this thing going within the next few weeks.''

Edgar, a Republican, is the lead negotiator of Medicaid for the Republican Governors Association. He met Monday with Sen. Robert Packwood of Oregon, head of the Senate Finance Committee, and with Rep. John Kasich of Ohio, the House GOP's point man on the federal budget.

Edgar said no firm agreements came out of the meeting. But he said both House and Senate GOP leaders ''are willing to move much quicker than we had hoped for,'' in part to try to hold down increasing costs for the program.

Medicaid is now the third largest entitlement program in the nation after Social Security and Medicare. The health benefits to the poor cost states five to eight times more each year than providing cash, food and other benefits to poor mothers with children.

For the last few years, Medicaid also has been one of the fastest-growing programs. Illinois, for example, now spends more on Medicaid than it does on education. And Missouri spends more on Medicaid than on any other program.

Both states are seeking permission from the Department of Health and Human Services, to change their Medicaid programs. But those requests—both pending for months—remain unanswered.

Illinois wants to move to a managed care system that would encourage the poor to get medical treatment from health maintenance organizations or a designated family physician rather than seeking more expensive care in emergency rooms.

Missouri also wants to start a managed care system for its 600,000 Medicaid recipients. It would use money save to provide medical coverage to another 300,000 Missourians who do not qualify for Medicaid coverage now and who also cannot afford insurance.

Edgar said the reforms that he would push for would do away with the need for states to seek federal permission to make such changes. Such permission is now required because the federal government pays for 50 percent of Medicaid costs in Illinois and 60 percent of the costs in Missouri.

Federal reimbursement rates are based on the per capita income of a state, which means poorer states get more federal money.

''One of the major things driving the Congress right now is the bottom line—how do you balance the budget,'' Edgar said. ''You can't balance the budget unless you attack the Medicaid problem.

''We're not talking about just throwing people off the rolls, but creating a more efficient program,'' he said.

Although Medicaid affects millions of poor Americans and accounts for billions of dollars in annual spending, the issue had remained on the sidelines of the welfare reform debate while Congress focused on changing the programs that provided cash, food and housing to mothers with children.

''The discussion of welfare reform has been far too narrow,'' Missouri Gov. Mel Carnahan said. ''It really comes from some of the anecdotal talk about the welfare queen and all this sort of thing as opposed to really thinking through what you want to do—lifting people up to self-sufficiency and work.''

President Bill Clinton, in a meeting Monday morning with the National Governors' Association, said he would be willing to consider some changes in Medicaid, but he provided no specifics, participants said.

Clinton promised the governors more flexibility in their welfare programs but insisted on safeguards for children.

Donna Shalala, secretary of health and human services, said later that if the federal government did not give states permission to experiment with Medicaid, ''then we will have failed with welfare reform.''

Edgar said he planned to meet again next week with GOP congressional leaders to work out a consensus on what needed to be changed. In the meantime, he said, he would talk to both Democratic and Republican governors.

He predicted that changes in Medicaid would not set off the same kinds of partisan wrangling that have kept the nation's governors from reaching an agreement on food, housing and cash assistance to the poor.

''Welfare is important, but if you really want to get to what drives most governors up the wall, it's Medicaid,'' he said.

Mr. ASHCROFT. Mr. President, I also ask unanimous consent to have printed in the RECORD, another St. Louis Post Dispatch article, published on the 24th of November of last year, which is similar:

> State officials estimate that that provision would result in health insurance coverage for 300,000 people who cannot afford it today—about half the State's uninsured.

That provision referred to is one which would waive Federal regulations and allow the State to design its own program.

I thank the Chair.

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

[From the St. Louis Post-Dispatch]

GOP PLAN MAY LET MISSOURI ALTER MEDICAID—WAIVER WOULD ALLOW COVERAGE OF HALF OF STATE'S UNINSURED

(By Kathleen Best)

A promise by congressional Republicans to give the states more flexibility could help Missouri win federal approval of a dramatic shift in the way it provides medical services to its poor.

''Since this is a request for state flexibility, it is in line with the Republican agenda,'' said Donna Checkett, director of the Missouri Division of Medical Services.

Missouri wants a waiver of federal regulations that would allow it to rein in the cost of providing medical services to the poor at the same time it expands the program to include about half of the state's uninsured.

Health care for the poor would be provided through a new, managed-care system designed to hold down costs by, for example, encouraging people to seek treatment from family doctors, rather than going to emergency rooms, which are more expensive.

The state would contract with doctors, hospitals and health maintenance organizations to care for the state's 600,000 Medicaid participants.

In addition, Missourians who now earn too much to qualify for Medicaid but too little to buy private health insurance would be allowed to buy into the state-run program at reduced rates.

State officials estimate that that provision would result in health insurance coverage for

300,000 people who cannot afford it today—about half the state's uninsured.

Before Missouri can put the new system in place, it needs approval from the U.S. Department of Health and Human Services. With Republicans poised to take control of federal purse strings, department officials are likely to be encouraged to look favorably on such waiver requests.

Missouri made its formal application for a waiver last summer and is now answering questions about its proposal.

Checkett said the most nettlesome problems resolve around how to provide care for poor people with chronic mental illness.

''There have been a lot of questions—both from Washington and in the state—about whether individuals who are chronically mentally ill should go into managed care,'' she said.

''We're concerned about how to balance the protections we need to provide (for the mentally ill) with cost control.''

The mentally ill tend to need lots of expensive medical care. But the nature of their illness often makes managing that care nearly impossible as some move in and out of institutions, sometimes living on the streets and occasionally disappearing from the system.

''Managed care is tricky with basically health people,'' Checkett said. ''It's more challenging when you are dealing with the Medicaid population. When you are dealing with the mentally ill, you need to strike a balance very carefully and be very certain how appropriately you have balanced the cost interest with protecting a vulnerable population.''

The state originally proposed setting up a pilot project that would carve out a package of behavioral health services for everyone on Medicaid that would be managed by a behavioral health organization.

But that approach resulted in howls of protest from mental health advocates and others, and has been, in effect, scrapped.

Chekett said no alternative plan had been decided, although negotiations were under way.

''Missouri is not alone in wrestling with this, I can guarantee you,'' said Checkett, who is chairman of the association representing state Medicaid directors.

''If you were to poll other states, you would find this issue of how to treat individuals with chronic mental illness has been a big one. It's been the hardest project I've ever worked on.''

A final decision on the mental illness question will be made by Gov. Mel Carnahan and is expected by Jan. 15, when the state plans to present its answers to 259 questions posed by federal regulators.

Checkett said the other difficult questions on the list centered on how the state would provide managed care in rural areas of Missouri, where there are few doctors and fewer opportunities to impose cost controls.

''Those are questions we have ourselves and are working on,'' she said. ''We hope we will be able to pay better rates for primary care under a managed care system, which would encourage more doctors to take on more Medicaid recipients.''

Some doctors in rural areas now limit the number of poor patients they will see because the state pays proportionately higher rates for treating the poor at hospitals and in emergency rooms.

''Now, we spend $2.5 billion a year with a heavy bias toward institutional settings,'' she said. ''We want to change that.''

Checkett said she hoped that if all the answers are submitted by mid-January, the state can begin negotiating details of final approval in the spring. That schedule would coincide with a review by the Missouri Legislature. Legislators must appropriate the funds to pay for the revamped program.

But the same Republican majority in Washington that may make it easier for the states to experiment with new approaches may also throw a wrench into carrying out such plans.

GOP legislators already have begun talking about major changes in Medicaid and welfare funding, which could force Missouri back to the drawing board.

''I am concerned, just looking at Medicaid, that there will be serious discussion about entitlement caps,'' Checkett said. ''I don't know what it means.''

The PRESIDING OFFICER. Who yields time?

Mr. ASHCROFT. Mr. President, I ask unanimous consent that an editorial which appeared in the St. Louis Post Dispatch entitled ''Missouri's Wise Shift to HMOs,'' be printed in the RECORD.

It states, in part:

The Carnahan administration made the right move in deciding to use HMOs to provide medical care for the 154,000 St. Louis area residents eligible for Medicaid.

The potential of a waiver is similar to what we would have in a block grant.

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

[From the St. Louis Post Dispatch, Oct. 14, 1995]

MISSOURI'S WISE SHIFT TO HMO'S

Regional Medical Center appears to have won big in Missouri's decision to shift all Medicaid recipients in the St. Louis area into health maintenance organizations. The state itself is a winner, too.

The Carnahan administration made the right move in deciding to use HMOs to provide medical care for the 154,000 St. Louis area residents eligible for Medicaid. Otherwise, these patients would be cared for under fee-for-service programs with few ways to control costs. HMOs, by contrast, agree to treat patients for a fixed monthly fee, regardless of the services the patients require.

HMOs do this profitably by stressing prevention and managed care that denies patients access to unneeded and costly medical specialists, procedures and tests. The Carnahan administration estimates that the shift to HMOs could save the state as much as $11.6 million in the first 12 months. That may seem like a mere ripple in a Missouri Medicaid budget of about $2 billion, about half of which comes from state funds, but these savings mark an important step toward improved cost control.

Seven HMOs have contracts with Missouri to treat the state's Medicaid patients. Their monthly per-patient fees vary. The fee for Medicaid-eligible women between the ages of 21 and 44, for example, ranges from $120.30 to $127.35. The monthly per-patient fee for children between the ages of 7 and 13 ranges from $42.95 to $46.39.

Regional is a big winner because at least 33 percent of the 121,890 Medicaid patients have enrolled in HealthCare USA, the HMO co-owned by Regional. Two other HMOs also are using Regional as the preferred provider of services under their plans. Some officials estimate that Regional could end up providing care for nearly half the Medicaid-eligible patients in the St. Louis area.

Whether these numbers will be sufficient to help Regional balance its budget and provide care for the uninsured is uncertain. In the last fiscal year, the hospital provided $40 million in care to indigent patients. This year, the hospital is facing a shortfall of at least $11 million because of reductions in federal funds for indigent care. In all probability, the city and county, which set up Regional, will have to cover this deficit.

Ideally, Regional's entry into the HMO business will help it pay more of its bills without having to rely on local subsidies. But the city and county must keep in mind that lots of the community's indigent patients don't have access to Medicaid. In other words, St. Louis and St. Louis County will continue to have an obligation to assist Regional in providing care for these patients.

Mr. ASHCROFT. Mr. President, I also ask unanimous consent to have printed in the RECORD an article from the Tennessean, published on October 24, 1995, which praises the success of Missouri's use of managed care for its Medicaid population.

I thank the Chair.

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

[FROM THE TENNESSEAN, OCT. 24, 1995]

TENNCARE COULD TAKE SOME NOTES

COVENTRY EXEC COMPARES PLANS

(By David A. Fox)

Tennessee may be in the vanguard of Medicaid reform with its TennCare program, but Missouri is the state that is pulling off Medicaid privatization most successfully, a local managed care executive said yesterday.

With a more incremental approach, Missouri has managed so far to avoid some of the problems that have plagued Medicaid reform here and in Florida, said Philip Hertik, chairman of Conventy Corp. Nashville-based Coventry, which does not participate in TennCare, is one of seven organizations that last month began enrolling St. Louis Medicaid members in private managed care plans.

In a speech to a national conference of the Health Industry Manufacturers Association at Loews Vanderbilt Plaza Hotel. Hertik cited several strengths of the Missouri plan to provide health care to the poor at a contained cost. Among them:

Missouri initiated its plan in just one area, rather than throughout the entire state.

It put the managed care contracts out for bid.

It prohibited marketing of the private plans directly to Medicaid beneficiaries.

A neutral company was chosen to gather data from each plan and distribute the information to Medicaid members for use in making their selection.

Missouri geared its plan only to the poor, beginning with people in the Aid to Families with Dependent Children program.

By contrast, TennCare began in January 1994 covering both the poor and uninsured statewide, at predetermined rates with aggressive marketing to Medicaid members. As a consequence, the $3.1 billion program serving 1.1 million residents started with great confusion among its members, with griping by providers whose reimbursements were slashed and with some apparently improper member-recruitment practices by at least one private health plan.

Hertik called the privatization of Medicaid ''the biggest thing in managed care in the past 15 years'' and one of several trends revamping the industry. With the companion trend toward privatizing Medicare, he forecast that market leverage increasingly will shift to managed care organizations and away from hospitals and other providers, such as home health, which traditionally have received a majority of their payments directly from government programs.

Probably the most obvious trend facing managed care organizations is the wave of

mergers and acquisitions. But Hertik said this trend differs from consolidation waves in other industries that frequently are sparked by efforts to achieve operating efficiencies from such things as volume buying and the elimination of redundant services.

''All of this is aimed at market leverage, rather than just economies,'' he said.

The deals, including health maintenance organizations buying traditional indemnity insurors, are intended to increase the membership in local managed care plans.

''But having sheer size on a national scale and strong balance sheets don't necessarily make you the high-quality, low-cost provider in local markets where the purchasing decisions are made,'' he said. ''It's just a little troubling knowing that its market leverage at the base of this consolidation.''

Hertik also identified two other trends:

The reaching of ''an inflection point'' heralding ''price competition as more the rule of the day'' instead of boom-and-bust cycles in health insurance underwriting.

An emphasis by managed care companies in managing care, rather than just costs, by establishing clinical guidelines, practicing disease management and measuring outcomes.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, has the Senator from Michigan completed his presentation?

The PRESIDING OFFICER. There are 14 seconds remaining for the Senator from Michigan, and 7 minutes and 30 seconds remaining for the Senator from Florida.

Mr. ABRAHAM. Mr. President, I yield the remainder of my 14 seconds.

Mr. GRAHAM. Mr. President, there is time we received, 3 minutes of general debate and 1 minute which was used by the Senator from Wisconsin. And I ask for the other 2 minutes, as well as the balance of our time on this amendment for my closing remarks.

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

Mr. GRAHAM. Thank you, Mr. President.

Mr. President, it has been an illuminating debate but almost as illuminating by what has not been said as what has been said.

What are some of the things that have been omitted? One of the major omissions is, how did the majority party arrive at the figure of $187 billion as the basis of its reduction in Medicaid expenditures by the Federal Government over the next 7 years? What was the source of that number? How was the calculation of the efficiencies and flexibilities that were going to be incorporated in this program used to derive the ultimate number of $187 billion?

The reason that there has not been an answer to that question is because there is not an answer to that question. The $187 billion was derived, not by a rational assessment of what would be the needs of the program or what will be the per capita increase in costs in delivering health care, but rather as a means of deriving a set of dollars to fund a tax cut for the wealthiest of Americans.

The fact is that the Medicaid Program has been operating at a per capita level of expenditure less than the national average in terms of all private sector health care spending, 7.1 percent in the private sector, 7 percent in Medicaid. This is what has been the level of Medicaid expenditure per capita. Under this bill, the proposal is to slash Medicaid from a 7 percent growth to a 1.4 percent growth.

Mr. President, I would defy anyone to say that is not going to result in a significant collapse of the Medicaid system's ability to serve the most vulnerable population in our country.

The second question that has not been discussed is, why has the Medicaid Program been growing at the rate that it has been growing?

Let me suggest three reasons, one that we ought to be very proud of, and that is that we are doing as a Nation a much better job of helping the poorest and most at risk of our children. Infant mortality in the United States has dropped by over 21 percent in the last decade. Infant mortality in America has dropped by over 21 percent in the last decade. We ought to be proud about that, and it has occurred because in large part we have extended Medicaid coverage to more and more at-risk mothers, and we have provided the kind of appropriate health care immediately after birth. We should not be ashamed of that.

Second, Medicaid has increased because of the aging of Americans. What has not been pointed out is that 60 percent of the Medicaid expenditures do not go to poor children and their mothers. Sixty percent of the expenditures go to the disabled and particularly to the frail elderly. In my State, 70 percent of Medicaid expenditures go to the disabled and the frail elderly.

That happens to be the segment of our population which is growing at the fastest rate. In most States the fastest growing generational component of the population is people who are over the age of 80—the very population that is most likely to need Medicaid assistance for long-term care.

The third reason for the increase in the number of persons on Medicaid has been the decline in private insurance coverage particularly for children. In 1977, 71 percent of the children of working Americans had their health care covered through their working parents. Today, in 1993, that number is down to 57 percent and projected in the year 2002 to be 47 percent. There has been almost a 1-to-1 increase in the poor children on Medicaid as there has been a decline in poor children covered through a parent's health care policy.

Those are three basic reasons why Medicaid has been increasing over the last few years, not because of oppressive Federal regulations.

Another thing that has not been discussed is the allocation formula. Would you like to see the allocation formula among the States? There it is. That is the arithmetic allocation formula contained in the Republicans' Medicaid proposal.

This formula, when you get through all the algebra, says that those States which today are receiving 4 and 5 times as much per capita as other States will continue to receive 4 to 5 times as much. We are seeing a pattern. We saw it in welfare reform and now we are seeing it in Medicaid, and that is identify the problem, decry the status quo, and then retain the funding formula of the current program. We did it in welfare reform, and we are about to do it again in Medicaid.

It would be like George Washington, after having won the American Revolution, saying, ''but we are going to continue to pay tribute to George III.'' The very reason that we fought the war would have been forgotten.

Mr. President, we need to have a funding formula that treats all Americans fairly wherever they live. This bill of the Republicans continues basically the current funding formula into the indefinite future.

What is going to be lost under the Republican proposal? We are going to lose the flexibility of an effective State-Federal partnership—those States that experience growth, those States that experience economic decline, those States that experience a natural disaster. We had 12,000 people added to the Medicaid role in Florida within days after Hurricane Andrew because not only were their homes blown away, their jobs were blown away and they became eligible for Medicaid. And they needed it because of the disaster through which they just lived. That flexibility is going to be lost in this program. We are also going to lose the adequate funding of a Federal partner, and we are going to lose national standards particularly in the area of nursing homes.

It is not surprising that President Reagan said that the Medicaid Program should not be turned over to the States but that the Medicaid Program should be federalized in order to have a national standard of health care. Where are the voices for President Reagan today? This great advocate of a strong national program to protect the health of our children needs to be heard today.

I close by saying there is a better way. We are proposing in this motion, first, that we have a rational reduction in Medicaid. What we essentially are saying is that we will propose to restrain Medicaid to 1 percentage point less than the private sector rate of growth in health care spending. And with that 1 percent restraint, that is, that the per capita for Medicaid will be 6.1 percent per year over the next 7 years, we will save $62 billion. We think that we can make that kind of a change without ravaging the system, and we would distribute the money through a per capita cap.

This maintains the individual entitlement to Medicaid coverage and creates incentives to maintain health care coverage. It provides for funding into each of the four categories of principal

Medicaid populations, that is, poor children, their mothers, the disabled, and the frail elderly, so that we will not create what is, I believe, an inevitable result of the block grant approach which is going to be a war at the State level among those four groups of beneficiaries.

We would also allow for a continuation of innovative programs such as the program in the State of Tennessee. We believe that the kinds of flexibility that we would provide, which would make it easier for States to move into managed care and easier for States to use community-based services to meet the needs of the elderly, will produce some real economies and therefore reduce the rates of expenditure over the next 7 years, an attainable goal without collapsing the system.

It is interesting, Mr. President, that the proposal that I make today, the per capita cap alternative to block grants, is the proposal which was introduced in the Senate on June 29, 1994, by our distinguished majority leader, cosponsored by 39 Republican Members. A similar program was introduced by our colleague, the senior Senator from Texas, and the junior Senator from Rhode Island, also promoting a per capita cap on Medicaid as a means of reforming the system.

Mr. President, I believe that we have a program that will achieve significant savings without sacrificing the safety net that Medicaid has represented. We can have these reforms while retaining a program that is vital to 37 million of our most vulnerable Americans. What we will sacrifice is a little piece of the tax break that we are about to give to the wealthiest of Americans in order to assure minimal health care standards for the poorest and most vulnerable of Americans.

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

Mr. GRAHAM. Mr. President, I ask unanimous consent that statements from scores of organizations in opposition to the Republican plan and in support of the proposal that is before us be printed in the RECORD and that an analysis of the mandates which are contained in the Republican proposal also be printed in the RECORD.

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

MAY 3, 1995.

DEAR SENATOR: The undersigned organizations are opposed to eliminating the entitlement status of individuals under the Medicaid program. The Medicaid program provides basic health and long term-care services to over 33 million American men, women, and children. Eliminating the entitlement status would jeopardize coverage for these seniors, families, children, and persons with disabilities, at a time when employers are dropping coverage and the number of uninsured persons continues to rise.

We understand that, in the interest of deficit reduction, savings must be achieved in the Medicaid program. However, extreme and disproportionate cuts in the Medicaid program will result in more Americans uninsured and in poor health, disincentives for providers to serve this population, and untenable cost shifting to state and local governments, providers and private payers. We stand ready to work with you on ways to achieve reasonable levels of savings without endangering the access of millions of beneficiaries to essential health care. We do not believe that ending the entitlement nature of the Medicaid program would achieve these objectives.

Sincerely yours,

AIDS Action Council.
Alzheimer's Association.
American Academy of Family Physicians.
American Association of University Women.
American Civil Liberties Union.
American College of Physicians.
American Federation of State, County & Municipal Employees.
American Federation of Teachers, AFL–CIO.
American Geriatrics Society.
American Network of Community Options and Resources.
American Nurses Association.
American Public Health Association.
American Speech-Language-Hearing Association.
Americans for Democratic Action.
Association for the Care of Children's Health.
Automated Health Systems, Inc.
Bazelon Center for Mental Health Law.
Bridgeport Child Advocacy Coalition.
Catholic Charities USA.
Catholic Health Association.
Center for Community Change.
Center for Science in the Public Interest.
Center for Women Policy Studies.
Center on Disability and Health.
Children's Defense Fund.
Coalition on Human Needs.
Connecticut Association for Human Services.
Consumers' Union.
Council of Women's and Infants' Specialty Hospitals.
County Welfare Directors Association of California.
Families USA.
Family Service America.
Human Rights Campaign Fund.
International Ladies' Garment Workers' Union.
International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers.
International Union of United Auto Workers.
Legal Action Center.
Legal Assistance Resource Center of Connecticut.
Mennonite Central Committee, Washington Office.
National Association of Child Advocates.
National Association of Children's Hospitals and Related Institutions.
National Association of Counties.
National Association of Developmental Disabilities Councils.
National Association of Homes and Services for Children.
National Association of People with AIDS.
National Association of Protection and Advocacy Systems.
National Association of Public Hospitals.
National Association of School Psychologists.
National Association of Social Workers.
National Citizens' Coalition for Nursing Home Reform.
National Coalition for the Homeless.
National Community Mental Health Care Council.
National Council of Senior Citizens.
National Easter Seals Society.
National Education Association.
National Family Planning and Reproductive Health Association.
National Jewish Community Relations Advisory Council.
National Mental Health Association.
National Treatment Consortium.
National Women's Law Center.
Neighbor to Neighbor.
NETWORK: A National Catholic Social Justice Lobby.
OMB Watch.
Planned Parenthood Federation of America.
Protestant Health Alliance.
Service Employees International Union.
Spina Bifida Association of America.
The Alan Gutmacher Institute.
The American Geriatrics Society.
The Arc.
United Cerebral Palsy Associations.
West Virginia Developmental Disabilities Planning Council.
Women's Legal Defense Fund.
World Hunger Year.
YWCA of the U.S.A.

OCTOBER 24, 1995.

DEAR SENATOR: As groups deeply concerned with the health and well-being of America's children and families, we are writing to express our fundamental opposition to the proposed House and Senate reconciliation bills' Medicaid provisions.

The physical and mental health of America's children today determines the social and economic health of the whole nation in the future. Unfortunately, our children's health is already at risk: we lag behind many other industrialized and some developing nations on key indicators like infant mortality, low birthweight, prenatal care, and immunizations. The Medicaid proposals in the reconciliation bills will make this situation far worse.

Already, nine and a half million U.S. children lack any health insurance. Even though just as many parents as ever are employed, children have been losing private, employer-based insurance at a rate of 1 percent a year for more than a decade. Medicaid has been making the difference, as its increased coverage of children from working poor and near poor families has kept the number of uninsured children from skyrocketing.

But as the drop in private insurance continues, if Medicaid shrinks instead of picking up some of the slack, children will lead in paying the price. With a $182 billion Medicaid cut, in the seventh year of the cut 6½ million children would lose eligibility if the cut is translated into eligibility reductions applied proportionately to all groups (e.g., children, people with disabilities, the elderly, and other adults). Then 19 million children would be uninsured in 2002. In fact, we fear that political conditions in state capitals will lead children to bear a disproportionately large share of any Medicaid cuts, so the number of uninsured children would be even larger.

The United States can invest now—in immunizations, preventive care and early treatment—or it can pay later in more expensive remedial care and the high social and productivity cost of children growing up unhealthy. We all support fiscal responsibility in the federal budget, but to balance the budget on the backs of children and destroy a system of assured health care that is fundamental to the health of millions of America's children and pregnant women is unacceptable.

Sincerely,

Action for Families and Children (DE),
Adolescent Pregnancy ChildWatch, Los Angeles County (CA).
Advocates for Children and Youth, Inc. (MD).

Advocates for Youth.
Advocates for Connecticut's Children and Youth (CT).
Agenda for Children (LA).
Aids Foundation of Chicago (IL).
Aids Policy Center for Children, Youth, and Families (NJ).
Alaska Children's Services, Inc. (AK).
All Saints Church, Pasadena (CA).
American Academy of Family Physicians.
American Academy of Pediatrics, Connecticut Chapter (CT).
American Academy of Pediatrics, Utah Chapter (UT).
American Federation of State, County and Municipal Employees.
American Medical Student Association/Foundation.
American Nurses Association.
American Occupational Therapy Association.
American Public Health Association.
American Speech-Language-Hearing Association.
Americans for Democratic Action.
Anacostia/Congress Heights Partnership (DC).
APPLEServices/Crisis Center of Hillsborough County, Inc. (FL).
Arkansas Advocates for Children and Families (AR).
Arkansas Children's Hospital (AR).
A Sign of Class (MN).
Asian and Pacific Islander American Health Forum (CA).
Association of Medical School Pediatric Department Chairs.
Baystate Medical Center Children's Hospital (MA).
Bazelon Center for Mental Health Law.
Beckland Home Health Care, Inc. (MN).
Belfast Area Child Care Services, Inc. (ME).
Bellefaire (OH).
Berkeley Oakland Support Services (CA).
Bread for the World.
California Children's Hospital Association (CA).
Cash Plus (IN).
Catholic Charities Office for Social Justice (MN).
Center for Human Investment Policy (CO).
Center for Law and Human Services, Inc. (IL).
Center for Multicultural Human Services (VA).
Center on Disability and Health.
Center for Public Policy Priorities (TX).
Center on Work & Family at Boston University (MA).
Central Nebraska Community Services (NE).
Chatham-Savannah Youth Futures Authority (GA).
Chicago Coalition for the Homeless (IL).
Child Abuse Coalition, Inc. (FL).
Child Advocacy/Palm Beach County, Inc. (FL).
Child Advocates, Inc. (TX).
Child Care Connection (AK).
Child Care Connection (FL).
Child Welfare League of America.
Children's Action Alliance of Arizona (AZ).
Children's Advocacy Institute (CA).
Children's Defense Fund.
Children's Health Care (MN).
Children's Home Society of Minnesota (MN).
Children's House, Inc. (NY).
Children's Medical Center of Dayton (OH).
Children's Memorial Hospital (IL).
Children's Rights, Inc. (NY).
Citizen's Committee for Children of New York (NY).
Citizen's for Missouri's Children (MO).
Citizen's Committee for Children of New York (NY).
Citizenship Education Fund.
City of Alameda Democratic Club (CA).
Coalition for a Better Acre (MA).
Coalition for Family and Children's Services in Iowa (IA).
Coalition for Mississippi's Children (MS).
Coalition on Human Needs.
Coleman Advocates for Children and Youth (CA).
Colorado Association of Family and Children's Agencies, Inc. (CO).
Colorado Council of Churches.
Colorado Foundation for Families and Children (CO).
Community Action Program of Palm Beach County (FL).
Community Concepts, Inc. (ME).
Community Empowerment Concepts (MD).
Community Psychologists of Minnesota (MN).
Concerned Graduate Students in Public Health in Seattle (WA).
Congress Park Plaza Apartments Resident Services (DC).
Connecticut Association for Human Services (CT).
Coordinated Child Care of Pinellas, Inc. (FL).
Corpus Christi American Federation of Teachers (TX).
Council on Women's and Infants' Specialty Hospitals.
Courage Center (MN).
Covenant House (NY).
Council of the Great City Schools.
Crossroads Program, Inc. (NJ).
Driscoll Children's Hospital of Corpus Christi (TX).
Elim Transitional Housing, Inc. (MN).
Elks Aidmore Children's Center (GA).
Episcopal Community Services, Inc. (MN).
Equality Press (CA).
Face to Face Health and Counseling Service, Inc. (MN).
Families USA.
Family and School Support Teams (FL).
Family Resource Coalition (IL).
Family Resource Schools (CO).
Family Support Network (MO).
Family Voices.
Firstlink (OH).
Florida Legal Services, Inc. (FL).
Food Research and Action Center.
For Love of Children.
Fremont Public Association (WA).
Friends of Children (WI).
Friends of the Family (MD).
Friends of Youth (WA).
General Board of Church and Society, The United Methodist Church.
General Federation of Women's Clubs.
Georgians for Children (GA).
Greater New Brunswick Day Care Council (NJ).
Hathaway Children's Services (CA).
Health and Welfare Council of Nassau County, Inc. (NY).
Healthy Mothers/Healthy Babies, Florida Association (FL).
Hinds County Project Head Start (MS).
Hispanic Human Resources (FL).
Johns Hopkins Child & Adolescent Health Policy Center.
Indiana Coalition on Housing and Homeless Issues (IN).
Institute on Cultural Dynamics and Social Change, Inc. (MN).
Interhealth (DC).
Jack and Jill of America, Inc.
Jacksonville Area Legal Aid, Inc., (FL).
Juvenile Law Center (PA).
Kansas Action for Children (KS).
Kansas Association of Child Care Resource and Referral Agencies (KS).
Kansas Association for the Education of Young Children (KS).
Kern Child Abuse Prevention Council, Inc. (CA).
Kids Public Education and Policy Project (IL).
Lakeside Family and Children's Services (NY).
Lawyers for Children, Inc. (NY).
Legal Assistance Resource Center of Connecticut (CT).
Los Alamos Citizens Against Substance Abuse (NM).
Los Angeles Coalition to End Homelessness (CA).
Louisiana Maternal and Child Health Coalition (LA).
Lucille Salter Packard Children's Hospital (CA).
Lutheran Children & Family Services of Eastern Pennsylvania (PA).
Masschusetts Advocacy Center (MA).
Mennonite Central Committee, Washington Office.
Mental Health Association in Texas (TX).
Merrie Way Community for Arts and Humanities (CA).
Michigan Coalition for Children and Families (MI).
Michigan Council for Maternal and Child Health (MI).
Michigan League for Human Services (MI).
Minnesota Association of Community Mental Health Programs (MN).
Minnesota State Council on Disability (MN).
Mississippi Human Services Coalition (MS).
Montana Low Income Coalition (MT).
Mothers Protecting Children, Inc. (CT).
Multnomah County Chair Beverly Stein (OR).
National Association of Child Advocates.
National Association of Counties.
National Association of County and City Health Officials.
National Association of Homes and Services for Children.
National Association of Public Hospitals.
National Association of School Nurses.
National Association of Social Workers.
National Association of Developmental Disabilities Councils.
National Center for Clinical Infant Programs (Zero to Three).
National Center for Youth Law.
National Committee to Prevent Child Abuse.
National Community Mental Healthcare Council.
National Council of Jewish Women.
National Council of Senior Citizens.
National Easter Seal Society.
National Education Association.
National Family Planning and Reproductive Health Association.
National Mental Health Association.
National Parenting Association.
National Perinatal Association.
National Puerto Rican Coalition, Inc.
National Safe Kids Campaign.
National Women's Law Center.
Neighbor to Neighbor.
New Orleans Bread for the World (LA).
Nome Receiving Home (AK).
North American Council on Adoptable Children (MN).
North Carolina Advocacy Institute (NC).
Oklahoma Healthy Mothers, Healthy Babies Coalition (OK).
Oklahoma Institute for Child Advocacy (OK).
Orange County Parent Child Center (VT).
Panhandle Assessment Center (TX).
Parent Action of Maryland, Inc. (MD).
Parent to Parent of Vermont (VT).
Parents Anonymous, Inc. (CA).
Parry Center for Children (OR).
Penn State University, Allentown Campus (PA).
Pennsylvania Association of Child Care Agencies (PA).
Pennsylvania Partnerships for Children (PA).

Philadelphia Citizens for Children and Youth (PA).
Planned Parenthood Federation of America.
Planned Parenthood of Palm Beach County (FL).
Presbyterian Child Advocacy Network (KY).
Preventive Services Coalition of Erie County (NY).
Priority '90s: Children and Families (MI).
Project H.O.M.E. (PA).
Public Welfare Coalition of Illinois (IL).
Redlands Christian Migrant Association (FL).
RESULTS.
Richland County Children Services (OH).
Rise, Inc. (MN).
Robins Nest, Inc. (NJ).
Same Boat Coalition (NY).
Sasha Bruce Youthwork, Inc. (DC).
Southern Regional Project on Infant Mortality.
Spina Bifida Association of America.
State Communities Aid Association (NY).
Statewide Youth Advocacy, Inc. (NY).
Support Center for Child Advocates (PA).
The Adaptive Learning Center (GA).
The Arc.
The Child Care Connection (NJ).
The Children's Alliance (WA).
The Children's Health Fund (NY).
The Coalition for American Trauma Care.
The Connecticut Alliance for Basic Human Needs (CT).
The Council for Exceptional Children.
The Episcopal Church.
The Foundation for the Future of Youth.
The Health Coalition for Children and Youth (WA).
The Kitchen, Inc. (MO).
The National Association of WIC Directors.
The Ohio Association of Child Caring Agencies (OH).
The Presbyterian Church (USA), Washington Office.
The United States Conference of Mayors.
The Urban Coalition (MN).
TransCentury (VA).
Tulsa Area Coalition on Perinatal Care Community Service Council (OK).
Ucare Minnesota (MN).
United Child Development Program (NC).
University of Vermont Department of Social Work MSW program (VT).
Unitarian Universalist Association, Washington Office.
Unitarian Universalist Service Committee.
United Cerebral Palsy Associations.
Utah Children (UT).
Vermont Center for Independent Living (VT).
Vermont Head Start Association (VT).
Voices for Illinois Children (IL).
Voices for Children in Nebraska (NE).
Washington State Child Care Resource and Referral Network (WA).
Westchester Children's Association (NY).
Wisconsin Council on Children and Families (WI).
Women Leaders Online.
Women's Committee of One Hundred.
Women's Legal Defense Fund.
World Institute on Disability (CA).
Wyoming P.A.R.E.N.T. (WY).
Youth Law Center.

OCTOBER 24, 1995.

DEAR SENATOR: On behalf of the nation's pediatricians and children's hospitals, the American Academy of Pediatrics and the National Association of Children's Hospitals urge you to make sure that regardless of how Medicaid is restructured Congress includes basic protections for the health coverage of children and adolescents.

This is the message we are seeking to bring to all members of Congress and the public in a new paid advertisement we are running this week in the national press. We are enclosing a copy for you. It outlines the protections children and adolescents need in coverage, medically necessary and preventive care, access to pediatric care, and immunizations under a restructured Medicaid program.

These kinds of protections make good sense, because children and adolescents represent over half of all recipients of Medicaid. In fact, Medicaid pays for the health care of one fourth of the nation's children and adolescents as well as one third of the country's infants. Protecting their health coverage, regardless of the state in which they live, is a low cost but high return investment not only in children's well-being today but also in the health and productivity of at least one third of the nation's future work force. Medicaid coverage for a child averages only one-eighth the cost of coverage for a senior citizen.

We were heartened by the bipartisanship of the Senate Finance Committee in addressing the need for children's coverage. It would require all states under a restructured Medicaid program to cover poor children and pregnant women. We believe most members of Congress share in this conviction.

Your vote on Medicaid legislation this year may be the single most important vote you will cast for the health of our nation's children in this decade. Please vote to protect America's most important resources: our children

Sincerely,

JOE M. SANDERS, Jr., M.D.,
Executive Director, American Academy of Pediatrics.
LAWRENCE A. MCANDREWS,
President and CEO, National Association of Children's Hospitals.

Enclosure.

HOW TO MAKE SURE THEY'RE STILL SMILING AFTER CONGRESS GETS THROUGH WITH MEDICAID.

It should go without saying that the key to having a healthy America in the future is keeping children healthy today.

Those of us who spend every moment of our working lives keeping children healthy want to say it anyway.

Because at this moment, Congress is making drastic changes to the Medicaid program, the most serious side effect of which is that the health care needs of millions of children will not be sufficiently guaranteed.

CONGRESS IS TAKING THE ''AID'' OUT OF MEDICAID

The Congressional block grant proposals could leave it to the States to determine who is eligible to receive benefits and what kind of benefits will be offered.

Today's system at least guarantees specific preventive health care benefits vital to the health and well-being of many children from poor and working families.

CONGRESS MUST BUILD IN CERTAIN BASIC GUARANTEES

Regardless of how Congress changes Medicaid overall, the following protections should be included:

1. Children and adolescents from low-income families must maintain guaranteed Medicaid coverage.
2. Medically necessary care, including preventive services, must not be compromised.
3. Children and adolescents must retain access to appropriately trained and certified providers of pediatric care.
4. children should be guaranteed all age appropriate immunizations.

Let's protect America's most important, most vulnerable resources: our children. Let's help keep them healthy. And smiling.

[From Consortium for Citizens with Disabilities]

A MESSAGE TO CONGRESS

CONGRESSIONAL MEDICAID ''REFORM'' PROPOSALS WILL HARM CHILDREN AND ADULTS WITH DISABILITIES AND THEIR FAMILIES

Member organizations of the Consortium for Citizens with Disabilities Health and Long Term Services Task Forces are extremely concerned about the impact that both the House and Senate Medicaid ''reform'' proposals will have on the lives of children and adults with disabilities and their families. We strongly urge you not to support these proposals and to carefully reconsider how to ''reform'' the Medicaid program so that children and adults with disabilities and other individuals with low and very low incomes are not harmed.

The proposals reported out of the House Commerce and Senate Finance Committees make harmful, fundamental changes to the Medicaid program—a program which now is the largest source of federal and state funding for services and supports for individuals with disabilities. It has been access to critically needed health and related services and to essential community-based long term services and supports—provided through the Medicaid program—that have enabled families to stay together and children and adults with disabilities to live fuller and more productive lives in their communities.

Specific CCD concerns relate to the following issues:

While the Senate proposal maintains a guarantee of health care coverage for low income individuals with disabilities, the House proposal completely eliminates the current individual entitlement status of Medicaid for people with disabilities.

Neither the Senate or House proposals would require states to provide any specific services, except for childhood immunizations.

Medicaid is no longer an entitlement and if there is no requirement for the provision of a full range of services, people with disabilities will lose access to critical health and long term services, and supports. For people with disabilities and serious health conditions, the lack of access to health and health-related services and supports will lead to an exacerbation of existing health problems and/or disabilities, as well as the emergence of additional health problems and secondary disabilities. For people with long term care needs, the lack of Medicaid coverage will lead to the loss of services and supports that help them to live more independent lives in the community—in some cases leading to homelessness and inappropriate institutionalization. In addition, families of children with disabilities will have their economic security undermined as they try to pay for essential health and long term services. It is important to remember—especially in a nation where the number of individuals insured through their employer continues to decrease—that for many people with disabilities, Medicaid has been the only health care coverage available.

While both proposals include state level ''set-asides'' for certain vulnerable populations, i.e. families with pregnant women and children, elderly individuals, and low income people with disabilities under age 65, the proposed funding formula for these set-asides would mean that states could not continue to provide the full range of services and supports that they now provide for children and adults with disabilities.

States would be permitted—within these broad categories—to determine what services to provide. According to the House proposal, for each set-aside category, states

would have to spend 85 percent of the average percentage of the state's Medicaid spending from FY 1992 through FY 1994 devoted to mandatory services (what the state now must cover) for people in that category. According to the Senate proposal, for each set-aside category, states would have to spend 85 percent of the state's Medicaid spending in FY 1995 on mandatory services for people in that category.

This formula does not take into consideration spending on optional services (what the state now chooses to cover). For people with disabilities, this is a major blow. Current optional services are the ones most likely to be of critical importance to children and adults with disabilities and dollars currently spent towards them would not be counted towards the disability set-aside. Optional services include the following: speech, physical, and occupational therapy, psychological services, clinic services, prescription drugs, dental services, eyeglasses, prosthetic devices, rehabilitative services, home and community based services, ICF–MR services, personal care services, respiratory care services, and case management.

In addition to the loss of the personal entitlement to specific required services and the weak funding formula, both the House and Senate proposals eliminate consumer and quality assurance protections and federal oversight in Medicaid services or Medicaid funded facilities.

This includes elimination of federal nursing home and ICF/MR regulations and even the minimum requirement that funds be spent on active treatment for individuals in institutional settings rather than merely custodial care. While Congress continues to speak of the value of devolution and state's rights, the CCD remembers when states could not or would not provide needed services and supports for children and adults with disabilities and their families. There are well warranted and deep-seated fears in the disability community that the loss of minimum federal standards coupled with intensifying fiscal pressures will mean that some states return to institution-based custodial care with the consequent loss of individual freedom, rights, and quality of life. The public policy and the original intent behind federal oversight requirements currently attached to funding for certain Medicaid long-term services must be remembered and respected. The proposals also permit the states to move more people into managed care plans while at the same time removing current consumer protections related to managed care.

The CCD strongly urges you to carefully reconsider how to ''reform'' the Medicaid program and not to support the passage of the provisions in the Medicaid Transformation Act of 1995 as part of the budget reconciliation bill. We ask you not to eviscerate a program that has allowed millions of children and adults with disabilities to live fuller and more productive lives in the community because they now have access to both acute health care and needed long term services and supports. The CCD does not support the status quo on Medicaid. We do believe, however, that there are changes to the program that can be made that will not penalize those who now benefit from the program. These include the elimination of the current incentives for institutional care and the provision instead of incentives for home and community-based long term services and supports.

Finally, the CCD supports efforts to reduce the federal deficit. However, the CCD strongly believes that it is unfortunate that most of the programs on the table for deficit reduction are those of importance to children and adults with disabilities—such as Medicaid, children's Supplemental Security Income, housing, social services, jobs, and education. It is also unfortunate that Congress is endeavoring to balance the budget using only 48% of the federal budget and that 48% comes at the expense of programs of critical importance to the lives of people with disabilities.

The CCD asserts that the individual entitlement status of Medicaid to a mandated set of benefits for children and adults with disabilities must be maintained.

The CCD asserts that federal reimbursement should be maintained for the full range of acute and long term services and supports that are presently available, including optional services which states now choose to provide through their Medicaid programs. In addition, the states should be required to continue to contribute at least their current share of funds to finance Medicaid services and supports.

The CCD asserts that the federal requirements that states meet certain standards of care and continue appropriate quality assurance measures, as well as due process and other consumer protections must be maintained.

The CCD asserts that managed care should be an ''option'' and not the only avenue of services for people with disabilities and that strong consumer protections, including timely and appropriate access to all necessary services, supports, and providers must be ensured.

The CCD asserts that current incentives for institutional care built into the Medicaid program must be eliminated and replaced with incentives for the provision of home and community-based long term services and supports.

1995 CCD HEALTH AND LONG-TERM SERVICES TASK FORCE MEMBERS

Adapted Physical Activity Council.
Alliance of Genetic Support Groups.
American Academy of Child & Adolescent Psychiatry.
American Academy of Neurology.
American Academy of Physical Medicine and Rehabilitation.
American Association for Respiratory Care.
American Association of Children's Residential Center.
American Association of Spinal Cord Injury Psychologists & Social Workers.
American Association of University Affiliated Programs.
American Congress of Rehabilitation Medicine.
American Foundation of the Blind.
American Horticultural Therapy Association.
American Network of Community Options & Resources.
American Occupational Therapy Association.
American Orthotic and Prosthetic Association.
American Physical Therapy Association.
American Psychological Association.
American Rehabilitation Association.
American Speech-Language-Hearing Association.
American Therapeutic Recreation Association.
Amputee Coalition of America.
Association of Academic Physiatrists.
Association of Maternal and Child Health Programs.
Autism National Committee.
Bazelon Center for Mental Health Law.
Brain Injury Association.
Center on Disability and Health.
Children's Defense Fund.
Children & Adults with Attention Deficit Disorders.
Epilepsy Foundation of America.
International Association of Psychosocial Rehabilitation Services.
Joseph P. Kennedy, Jr. Foundation.
Mental Health Policy Resource Center.
National Alliance for the Mentally Ill.
National Association for Music Therapy.
National Association for the Advancement of Orthotics and Prosthetics.
National Association of the Deaf.
National Association of Developmental Disabilities Council.
National Association of Medical Equipment Suppliers.
National Association of People with AIDS.
National Association of Protection and Advocacy Systems.
National Association of State Directors of Developmental Disabilities Services.
National Association of State Directors of Special Education.
National Association of State Mental Health Program Director.
National Center for Learning Disabilities.
National Community Mental Healthcare Centers.
National Consortium on Physical Education and Recreation for Individuals with Disabilities.
National East Seal Society.
National Health Law Program, Inc.
National Industries for the Blind.
National Mental Health Association.
National Multiple Sclerosis Society.
National Organization for Rare Disorders.
National Organization on Disability.
National Rehabilitation Association.
National Spinal Cord Injury Association.
National Therapeutic Recreation Society.
NISH.
Paralyzed Veterans of America.
President's Committee on Employment of People with Disabilities.
Research Institute for Independent Living.
The Accrediation Council on Services for People with Disabilities.
The Arc.
United Cerebral Palsy Associations.
World Institute on Disability.

OCTOBER 24, 1995.

DEAR SENATOR DOLE: As providers of long-term care services, we are concerned that the current Finance Committee proposal to impose a block grant financing mechanism for Medicaid fails to ensure that adequate resources will be made available to meet the needs of our nation's elderly, disabled, and infirm. We fear that the proposed annual increases in federal Medicaid funding for state programs will be insufficient to meet the quality of care needed by residents of long-term care facilities and subsequently reduce access to services. Furthermore, the failure to meet the resource needs anticipated in future years for these services will negate the many advances made in this area as a result of the enactment of the nursing home reform provisions of OBRA '87.

We urge you to support the retention of federal oversight of nursing home quality linked to a statutory provision ensuring that adequate financial resources are made available to meet prescribed levels of service. Although this linkage can take several forms, the current formulation which backs the nursing home reforms of OBRA '87 to a statutory direction that payors of services (both federal and state) must ensure the payment of adequate rates has proven a workable mechanism and should not be repealed.

Federal nursing home reform standards, joined with existing reimbursement standards have resulted in a steady improvement in the quality of long-term care services. Without such a linkage, this quality of care cannot be sustained. It is our sincere desire to move forward with the quality of care provided in nursing homes, and recognize that

the ability to do so is dependent upon the provision of adequate financial resources.

Sincerely,

American Health Care Association (AHCA); American Association of Homes and Services for the Aging (AAHA); Catholic Health Association; InterHealth; Horizon CMS; Clinton Village Nursing Home, Oakland, California; Qualicare Nursing Home, Detroit, MI; Westmoreland Manor, Greensburg, PA; Services Employees International Union (SEIU); American Federation of State, County, and Municipal Employees (AFSCME); United Auto Workers (UAW).

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, October 24, 1995.

DEAR SENATOR: The National Association of Counties (NACo) strongly opposes the block granting of Medicaid and the loss of a federal guarantee to benefits. Counties will be saddled with significant cost shifts as a result of capping the federal contribution to Medicaid.

We do not believe that states will find enough budgetary efficiencies without reducing eligibility. The flexibility given to states in the operation of the proposed restructuring will trickle down to counties in the form of flexibility to raise property taxes, cut other necessary services or further reduce staff. In many states, counties are required to serve individuals with no private or public health insurance. The cuts to the program will have the effect of increasing the costs of that state mandate.

Individuals will continue to have health needs, regardless of the payor source. That is why we have always supported the intergovernmental nature of the Medicaid program and the assurance that there is some minimum level of coverage guaranteed to eligible individuals, regardless of the state in which they reside. While we support the increased use of managed care and the further targeting of the disproportionate share program, we believe that provisions in the bill overall will harm many current recipients and the counties which serve them.

If you have any questions about our position, please call Tom Joseph, Associate Legislative Director, at 202/942–4230.

Sincerely,

LARRY E. NAAKE,
Executive Director.

BUREAUCRACY CREATED BY THE GOP MEDICAID PLAN

In the Medicaid debate, the GOP has stressed that offering states block grants will reduce federal and state bureaucracy. However, a review of the GOP Medicaid Plan indicates that it creates as much bureaucracy as it purports to reduce. Some of the bureaucratic initiatives included in the plan are important and necessary; however, the argument that the GOP plan reduces bureaucracy just doesn't add up. The following is a *very* conservative estimate of the total number of new bureaucratic requirements created by the GOP Medicaid plan:

Number of new requirements for each submitted Medicaid plan	32
Number of States and District of Columbia (times)	51
Total number of new requirements for all plans (=)	1,632
Additional committees, advisory panels, demonstration projects, etc. (+)	15
Total number of new bureaucratic requirements (=)	1,647

Note: The total does not include drug provider pricing reports or other federal and state drug-related reports.

Specifically, the proposal requires:

SECTION 2100

Page 2—A state plan is required for reimbursement under this bill.

The state plan must be approved by Secretary.

SECTION 2101

Page 4—State must establish performance measures to evaluate Medicaid plan.

Independent review required of state performance.

Page 5—Strategic objectives and performance goals in state plan must be updated not later than every 3 years.

SECTION 2102

Page 5—Extensive annual reports must be prepared by states and submitted to Congress.

SECTION 2103

Page 6—Every third year, each state must provide for an independent review of the state Medicaid plan.

SECTION 2104

Page 12—Each state Medicaid plan must provide a description of the process under which the plan shall be developed.

SECTION 2105

Page 13—States required to provide public notice and comment on their Medicaid plan.

Page 14—States are required to established advisory committees for the establishment and the monitoring of the Medicaid plan.

SECTION 2106

Page 16—The Secretary shall provide for the establishment of a Medicaid Task Force.

Page 16—An advisory group to the Medicaid Task Force shall be created comprised of representatives from seventeen national health care organizations.

Page 18—The task force shall report to Congress by April 1, 1997, with recommendations regarding objectives and goals for states in the implementation of a Medicaid plan.

Page 19—Creation of an Agency for Health Care Policy and Research.

SECTION 2111

Page 19—Each state Medicaid plan must meet certain Federal eligibility and benefit requirements.

SECTION 2113

Page 31—States may set up premium and cost sharing mechanism including co-payments and deductibles.

SECTION 2114

Page 35—If a state contracts with a capitated health care organization, the state must annually provide before the beginning of the contract year—public notice and an opportunity for public comment on amounts spent.

SECTION 2115

Page 37—Each state will develop its own criteria for providing benefits and geographic coverage.

SECTION 2117

Page 40—Establishment of new income rules for institutionalized spouse in determining eligibility for Medicaid. Also, rules establish a hearing process relating to a monthly allowance for the non-institutionalized spouse.

SECTION 2121

Page 59—Establishment of complex formula for the allotment of block grant funds to states.

Page 84—By April 1, annually, the Secretary shall compute and publish in the Federal Register proposed obligation and outlay allotments for each State.

Page 85—GAO shall report to Congress annually a report of preliminary allotments.

GAO shall submit an annual report analyzing allotments.

SECTION 2122

Page 87—Quarterly reports shall be filed by the States estimating the total sum to be expended in such quarter.

Page 90—Procedure established for disputes with respect to overpayment to the States.

Page 97—States given authority to impose health care taxes on providers.

Page 111—Limits established on the amount that a state may use a grant to carry out a program for which a waiver was granted.

SECTION 2123

Page 113—Limits on payments for nonlawful aliens, abortions and assisted suicides. States must establish procedures that funds not be used for unauthorized purposes.

SECTION 2124

Page 119—Methodology for grants to be determined by HHS.

SECTION 2131

Page 119—Separate state audit required annually. Additional ''verification'' audit required if first audit not acceptable. Audit reports must be available to both HHS and the public. Each State must adopt fiscal control measures to insure compliance. State or private plans must provide HHS with records of any audit conducted by anyone on any provider offering services through he plan.

SECTION 2132

Page 121—Each state is required to develop separate fraud prevention procedures. Additionally, if an individual or provider is excluded due to a violation of this section, a state must file a separate notification of the violation with the appropriate state licensing board and HHS.

SECTION 2133

Page 123—States must create a mechanism that notifies the Secretary of HHS of *any* formal proceedings, including outcome, against an individual provider or provider entity. Additionally, the State must provide the Secretary of HHS with documentation of these formal proceedings. HHS must notify all relevant federal agencies, providers under contract, licensing boards, State agencies, utilization and quality control peer-review organizations, State Medicaid Fraud Units, hospitals and other providers, the Attorney General, and the Comptroller General. Program to be coordinated through HHS.

SECTION 2134

Page 127—Each state required to provide a separate State Medicaid Fraud Unit. This unit must be attached to the State Attorney General or other appropriate state agency. The State must establish formal procedures for referral of fraud, patient ''abuse and neglect'' complaints, and overpayment cases to the State Attorney General.

SECTION 2135

Page 131—Each State must develop procedures for determining when a third-party payor is legally obligated to pay a claim, when beneficiaries acquire the rights, when they may assign those rights, and laws that mandate coverage of children. Any denial of benefits to a child must be documented. States must also create a procedure for wages or tax return garnishment.

SECTION 2137

Page 142—Each State must develop separate ''Quality Assurance Standards for Nursing Facilities,'' consisting of separate treatment standards, administrative policies and procedures, operational bylaws, Quality Assurance systems, resident assessment procedures, staff qualifications, and utilization review procedures. These standards are subject

to public comment before acceptance by the State legislature.

Each State must also create a nursing facility certification program, whose records must be available to the public. This program must be audited every four years.

SECTION 2138

Page 150—Requires public access to any compliance survey conducted by any state agency. Each state must create separate record-keeping requirements.

SECTION 2151

Page 151—Each state must submit separate ''Part C'' Medicaid plans.

SECTION 2152

Page 151—Allows for amendment of a States Medicaid plan ''at any time.''

SECTION 2153

Page 153—Requires HHS to ''promptly'' review (within 30 days) any plan or amendment submitted. Requires notice non-compliance, and a state response or revision of the plan must follow. Creates administrative hearing procedure for determination of non-compliance if requested by the state. If dissatisfied, state may appeal to the appropriate U.S. court of appeals. Any decision may be appealed to the U.S. Supreme Court.

SECTION 2173

Page 174—If a state has an Indian Health Program, the state plan must separately define who and what will be eligible.

SECTION 2175

Page 182—Requires HHS (or each state separately) to reach separate rebate agreements with each eligible drug manufacturer before reimbursement. Any exceptions must be submitted for review and approved by HHS. If a rebate agreement is in place at the time this Act is passed, the state has the burden of showing that such rebate agreement saves as much or more money as the requirements of this new Act.

Page 192—Requires each state to submit a report of the total number of covered drug units used, including form, dosage, and package size.

Page 193—Drug manufacturers must submit a report listing the ''average'' price of an eligible drug sold for at the beginning of a rebate period. Drug manufacturers are also required to submit a report at the end of a rebate period noting both the ''average'' and the ''best'' price the drug sold for.

Page 199—Secretary and states both have authority to resolve conflicts over rebate amount.

Page 200—Secretary or state must compute rebate formulas for each separate drug, manufacturer, and rebate agreement.

Page 207—Any State may subject any drug to a separate prior authorization program prior to filling a prescription.

Page 208—Secretary required to periodically update the list of ineligible drugs.

Page 209—Each state may set up separate formularies if approved by HHS.

Page 211—Outlines the specific requirements of a state ''Prior Authorization Program.''

Page 212—HCFA required to establish reimbursement limits for ''therapeutically equivalent'' drugs.

Page 213—Secretary must ''encourage'' states to establish an electronic claims processing system.

Page 214—Requires HHS to submit an annual report to the Senate Finance Committee and House Commerce Committee outlining individual and total drug costs, the impact of inflation of such costs, any significant trends in drug pricing, and the administrative costs of compliance with the drug-rebate program.

Page 224—Requires HHS to establish a ''Medicaid Drug Rebate Task Force.''

SECTION 7194

Page 228—Requires HHS and HCFA to develop a classification system for children with special health care needs.

Page 229—Creates a grant program for demonstration projects using the criteria developed for classifying children with special health needs. Requires these projects to submit annual and final reports to HHS.

Page 232—Requires CBO to conduct an annual analysis of the impact of the new Medicaid amendments and to submit a report to the Senate Finance Committee and House Commerce Committee.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I congratulate the excellent statement and arguments that have been made by my distinguished colleague from Florida on the matter at hand. I believe we are about ready to come down to the end of this and go on to the education amendment. But before we proceed, I wish to yield 1 minute to the Senator from Connecticut.

Mr. DODD. I thank our colleague from Nebraska.

Mr. President, I apologize for being tied up in the Committee on Banking and Housing. I think as we look at this legislation people have to ask the fundamental question of who is being hurt by this proposal. No one is suggesting we ought not to make reforms in these programs to make them more efficient. But when 4.4 million children over the next 7 years, as the estimates say, will lose the kind of protection that Medicaid has provided, that in my view goes too far. I think the American people are responding to that. It is extreme. Clearly, corrections need to be made, but this goes way beyond what most Americans think is right and fair.

If we are going to invest in the future and promote growth, then these young children who have no other safety net to protect them are going to be lost in that process. It is bad enough to place at risk 12 million Americans, 8 of whom are in effect adults with long-term care needs. But for almost 5 million children who may lose Medicaid in this country who are born into these circumstances and will start their lives in this way, I think is wrong headed; I think it is extreme; I think it is unfair; and I think it is dangerous for this country's future.

I thank my colleague for yielding.

Mr. EXON. Mr. President, after conversation with several Senators, including my distinguished colleague from Michigan, I think we have general agreement now that we will, under the previous order, move to the next order of business, which is the so-called education amendment.

The time under that amendment will be controlled by the Senator from Massachusetts, Senator KENNEDY, who I think is ready to offer the amendment. In the interest of conserving time—we have had a general agreement—and I ask unanimous consent at this time that instead of the 2 hours, 1 hour each side, on the education amendment, that the time be reduced to 90 minutes or 45 minutes per side. I propose that as a unanimous consent request.

The PRESIDING OFFICER (Mr. BURNS). Is there objection?

Mr. ABRAHAM. Mr. President, the majority does not object. We support the 90-minute time agreement.

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

Mr. EXON. I thank the Chair. I hope at this time the Chair could recognize the Senator from Massachusetts.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 2959

(Purpose: To strike those portions of the Committee on Labor and Human Resources reconciliation title that impose higher student loan costs on students and families, by striking the 85 percent fee imposed on colleges and universities based on their student loan volume, restoring Federal interest payments on subsidized student loans during the 6-month grace period in which graduates look for jobs, eliminating interest rate increases on parent (PLUS) loans, and eliminating the 20 percent cap on direct lending, and to provide an offset by striking the provisions that dilute the alternative minimum tax)

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

The PRESIDING OFFICER. The clerk shall report the amendment.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] for himself, Mr. SIMON, Mr. PELL, Mr. DODD, Mr. HARKIN, Ms. MIKULSKI, Mr. WELLSTONE, Mrs. FEINSTEIN and Mrs. MURRAY, proposes an amendment numbered 2959.

On page 1409, beginning with line 8, strike all through page 1410, line 25.

On page 1421, beginning with line 15, strike all through page 1423, line 13.

On page 1424, beginning with line 2, strike all through page 1425, line 16.

Strike chapter 3 of subtitle B of title XII.

Mr. KENNEDY. Mr. President, I yield myself 6 minutes.

Mr. President, we are 2 days into this debate on the budget recommendations of our Republican friends in the U.S. Senate. We had an opportunity yesterday to debate the issue of whether we are going to cut $270 billion out of the Medicare program in order to give tax breaks for the wealthy individuals and corporations.

Today we had the debate about whether we are going to take $180 billion away from the neediest children in our society and from the seniors of our country who have made such a difference to our Nation and put them at greater risk.

The third element in this whole Republican proposal is to deny, or move towards denying, the sons and daughters of working families the opportunity to achieve the American dream, that is, in the area of higher education.

The whole debate on higher education was a key debate in the 1960's between President Kennedy and President Nixon. During that time, this country went on record to provide help and assistance to the young people of

this country. We reserved three-quarters of a Federal assistance program for grant money and one-quarter for loans. The programs built on the enormous success that this country saw at the end of World War II. We expended, in today's dollars, $9 billion on education assistance to those who came back and fought in World War II.

It is an interesting fact, Mr. President, that the analysis of this program proved it was a remarkable success. In fact, every dollar was actually given in grants—not loans—and returned some $8 to the Federal Treasury.

This Nation was committed to higher education. This Nation was committed to the young people of this country, to their hopes and dreams for a future America. But under the Republican proposal, effectively what they are saying is, ''We're going to take some $10 billion away, away from the students of this country, and make it more complex, more difficult, and in many instances deny the dreams of those young people.'' For what reason? For the reason of providing the tax breaks for wealthy corporations and wealthy individuals.

That is what this is about, Mr. President. That is what this is about. The amendment that we have offered today responds to that provision of the Republican bill.

First of all, the provision that institutes a new student loan tax that requires colleges and universities to pay the Federal Government an annual fee of .85 percent of their student loan volume is struck. In addition, the amendment strikes provisions that eliminate the interest-free grace period, a concept that has been supported by Republicans and Democrats since the student loan program began.

We also strike the increased interest rates on parents in the PLUS loans, which are necessary loans for parents that do not have great assets. Striking the increased interest rates will help those parents continue to take advantage of the PLUS loans. Finally, the amendment strikes provisions capping the direct loan program at 20 percent of loan volume. The program is now at almost 40 percent participation.

The amendment takes us back to the existing law which will permit any college in this country, in any State, to choose to participate in the direct loan program. Not under the Republican program.

What we are saying is: If colleges, their boards of trustees, parents, faculty, teachers, young people want to move toward a direct loan program, that choice ought to be available at the local level. The Republican proposal denies colleges and universities and their communities the right to choose a loan program that works for them. That right to choose was a bipartisan agreement that was made in 1993. I believe that denying colleges and universities the right to choose is unwise and unfair.

And, Mr. President, we offer a full offset for this change to the Republican proposal, so that our amendment is budget neutral. We will return help and assistance to the students of our country by striking the provisions of the Finance Committee's reconciliation bill that dilute the alternative minimum tax on corporations.

The alternative minimum tax on corporations sets a minimum corporate tax liability. It was passed in 1986 because many corporations were escaping any kind of tax payment. And you know what the Republicans did? They relaxed it to benefit corporations by $9.2 billion. And so the Senate of the United States will have a chance today to say, ''Do we want to relax the alternative minimum tax for corporations by $9.2 billion or do we want to provide the help and the assistance for the sons and daughters of working families?''

We have effectively voted on this amendment before, and we are going to see if the whiplash of the Republican leadership is going to march—force the Republicans to march in lock step to reject what they have supported in May: a reduction in the cuts to students.

We are taking the changes in the alternative minimum tax that provided easier payments for the largest corporations of this country and using them for the deficit reduction requirements for education and leaving these programs alone. That is what this amendment does.

Mr. President, I do not think we have to make the case, or should have to make the case, that education is central to the American dream. But under the Republican proposal, they change that dream into a nightmare. The idea that the Republican proposal is a shared sacrifice is malarkey.

They say, ''There's a shared sacrifice in our Human Resources Committee's proposal.'' The shared sacrifice is two-thirds—two-thirds of the burden is going to be on the sons and daughters of working families. Half of them earn below $20,000 a year; two-thirds of them below $40,000. It is interesting to note that these are the same people whose taxes are going to be increased under the EITC. These are the same people that are going to have to provide additional help and assistance to their parents to increase the copayments and the deductibles.

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

Mr. KENNEDY. I yield 2 more minutes.

Again, these are the same people whose taxes will be increased under EITC, as Senator MOYNIHAN clearly pointed out when he put the chart before the U.S. Senate and the American people. We are already going to have to pay increased payments under this bill.

What do our Republican friends have against working families? They raised the EITC that goes to the low-income, working families. And now they are denying the opportunity for education for many of the sons and daughters.

Mr. President, I want to just point out that a $250 increase in the cost of college will cause roughly 20,000 fewer students from working families to enroll. Because there are almost $1,000 in additional costs to working families just in the grace-period provisions of the Republican proposal, 80,000 young people in this country will not go to college because of the increased burden that their families will not be able to pay.

Now, there will be a time when someone says, ''This is really a very minor slap on the wrist for these families.'' They will point out, ''Look, you are only talking about $900 for the grace period, only $500 more under the PLUS loans, and only $25 under the institutional loans.''

Mr. President, that all adds up. In my State of Massachusetts, working families will have to pay more than $200 million in additional costs. That is wrong. It is a transfer of wealth from working families to the already wealthy individuals in our country. Therefore, I hope that this amendment is agreed to. It is a responsible amendment. We have debated this issue many times and we have said that we believe that education is fundamental to the future of America and young Americans. Why should we dampen, and in many instances extinguish, the hopes and dreams of the sons and daughters of working families?

That is the choice here. We can strike the alternative minimum tax or we can dock the sons and daughters of working families.

I yield 5 minutes to the Senator from Rhode Island who has been a former chairman of the Education Committee and who has made such a mark in education policy.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Rhode Island.

Mr. PELL. Mr. President, I thank my colleague. I am very, very pleased to be an original cosponsor of this critically important amendment. What we are talking about here is a capital investment in the future of our Nation. Passage of this amendment would accomplish the objective of taking students and their families, not completely, but partially out of harm's way.

First, it would strike the first-time-ever fee on institutions of higher education. This fee of .85 percent, based on the total amount of money borrowed by students and parents at every institution of learning, is an unprecedented move and a cost that would undoubtedly be passed along to students in higher fees. Once established, I am afraid that it will increase over time.

Second, this amendment would strike the increase on the interest rate in the Parent Loan Program. Some argue that the increase would be so small as to be insignificant. I disagree.

A parent who borrows for 4 years of college at a typical 4-year public university will borrow a total of $27,000. If those loans are repaid over 10 years, the increase in the interest rate will mean those parents will have to pay an

additional $1,400. If they take advantage of extended repayment, the cost could well increase to $2,800. Neither of these figures is insignificant.

A parent who borrows at a private university will borrow more than $66,000. Repayment over a 10-year period will mean an additional $3,400 that parents will have to pay because of the increase in the interest rate. If repayment is extended over 20 years, the additional cost to the parent will be nearly $6,900, or $7,000.

Third, the amendment would strike the 20-percent cap on the Direct Loan Program. This would leave alone the direct loan conference agreement of 2 years ago. It would mean that we would continue to have a spirited competition between direct and regular loans, a competition that has brought students improved services, better rates and more benefits.

And fourth, the amendment would strike the elimination of the interest subsidy during the grace period. This is of vital interest to students who have just completed their education and are out looking for a job. Proponents argue that the cost of eliminating the grace period will be small, but to a student who is just beginning a job, every dollar counts.

In terms of the package, I point out that while one change might appear small, the combined impact of the four changes addressed in this amendment is considerable. Students and their families will feel the impact of these changes. Instead of taking them out of harm's way, it will place them directly in the line of fire. We can avoid that outcome if we adopt this amendment. I urge my colleagues to join me in voting for it. If ever there was a capital investment amendment to improve the competitive ability of our Nation, this is it.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 5 minutes to our friend and colleague and former member of the Labor and Human Resources Committee, JEFF BINGAMAN.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. Thank you very much, Mr. President. I thank the Senator from Massachusetts for yielding me time.

Mr. President, I am in strong support of the Kennedy-Simon student loan amendment. It does deal with a very serious problem that I see in this budget reconciliation bill.

Very simply, what we are talking about here is $10.8 billion that is to be reduced or eliminated out of the funds that will otherwise be made available to students over the next 7 years, students who want to go to college and who do not have the financial means with which to go to college.

That $10.8 billion is presented by the Republican majority as being fairly shared. We are going to try to charge some of that to the loan industry and some of that to the students and families themselves.

I have a chart here, Mr. President, which I think makes the point pretty clearly that the cost, that $10.8 billion, is not fairly shared. What this chart shows is that something like 30 percent of this entire $10.8 billion, $3.1 billion specifically, will be additional costs to the loan industry; 70 percent of the entire cut in education is costs to students and their families. That is $7.6 billion over 7 years.

Let me talk about some of the specific things that we are doing to increase the costs to students and families during that time, because some of it is precedent setting and, in my view, it is a very bad precedent and reflects very badly on our country.

One which has been referred to by both the Senator from Massachusetts and the Senator from Rhode Island is that we are starting, for the first time, to charge interest on the loan from the day of graduation. That may seem like a small item and, in some larger global sense, it may be, but it signifies something about what the Congress is about in this reconciliation bill.

Always before, the idea was when students graduated from college, we would give them a 6-month grace period in which to get a job, in which to begin to receive regular monthly paychecks, before they were charged the interest on that loan.

But we are eliminating that in this legislation. Here the idea is that we can pick up $2.7 billion over the next 7 years by eliminating that grace period and starting to charge that interest from the day they graduate. I think that is a shortsighted, mistaken and wrong policy decision.

A second item that I particularly want to focus on that I think is perhaps even a worse precedent is this whole idea of charging a tax to schools that want to make a student loan. In my State, the schools that are making Federal student loans are generally schools that are trying to provide education to moderate-income families and students. They would be charged, under this bill, .85 percent, nearly 1 percent of the value of the loan, at the time the loan is originated.

When I bought a house, I remember that they charged me a loan origination fee. You always shop around to see where can you get the fewest points, where will they charge you the fewest points for your house loan. The Government has never charged points for student loans before. We have never charged origination fees when we made a loan to a student to go to school.

This year, for the first time, we will begin to charge an origination fee. Now we charge it to the institution. The school itself has to pay the student loan and, of course, that builds in an incentive for the school perhaps to look for more financially capable students. They do not have that cost. They do not need to worry about origination fees if they get students that, in fact, do not need student loans. I think it is a very bad precedent. I think when you start charging an origination fee for a student loan, it is a sad day in our Nation's history. That is exactly what we see proposed in this bill. That would, supposedly, result in the Federal Government picking up $2 billion over the next 7 years.

We are increasing the interest rates on family interest. That is another $1.5 billion. And then by capping the amount of direct student loans that can be made, presumably we are going to pick up $1.4 billion.

Mr. President, this amendment would strike the most onerous provisions of the reconciliation bill by striking the provisions that increase the costs of loans for students and their families.

The Republicans propose that almost 70 percent of the $10.8 billion cuts in the current student loan system be shouldered by students and their families. Only $3.1 billion is borne by the loan industry and $100 million by cost sharing with States. The overwhelming majority of these cuts, shown in red on this chart, would be shouldered by the very students the program is intended to help. Only 30 percent of the cuts, shown in yellow on this chart, are imposed on banks, guaranty agencies, and secondary markets in the student loan industry. That means that directly or indirectly the wrong people suffer. It will cost needy students more to borrow.

The Kennedy-Simon amendment fixes that. It strikes all portions of the Labor and Human Resources Committee reconciliation title that impose higher student loan costs on students and their families. Let me show you how.

First, the amendment would restore a 6-month interest-free grace period following graduation. That means that interest would not accrue on student loans for 6 months after graduation giving students time to look for a job. This amendment strikes the Republican cut of $2.7 billion for the interest-free grace period. The amendment would thereby save an individual student between $700 and $2,500, depending on the length of study and amount borrowed.

Next, the amendment eliminates a new .85-percent fee on new student loans. It strikes the $2 billion Republicans would save by introducing this new loan fee. The Republican plan would force colleges either to absorb this new tax on student loans or pass it on as increased students fees. This would have meant about $25 every year for about 14 million students with new loans. It would have effectively penalized schools for accepting needy students.

Next, the amendment eliminates the rise in interest rates families pay for student loans. Without this amendment, the increase in PLUS loan interest rates could amount to up to $5,000 a family. This increase would be paid by the very families who lack other assets

against which to borrow, and must therefore borrow most heavily from this program to afford 4 years of college.

Finally, the amendment eliminates the 20 percent cap on the direct loan program. The program is now at 30 to 40 percent and has made the student loan process much quicker and more efficient for participating students.

This amendment is good policy for the Nation. In New Mexico, it will be absolutely essential. It will enable a better education for some students who otherwise would not go to college. Colleges in New Mexico have volunteered my office the numbers of their students on Federal financial aid because, they tell me, they know is vital for the students they serve. They say three New Mexico colleges alone have well over 20,000 students receiving some form of Federal financial aid. At the University of New Mexico, there are about 10,000; at New Mexico State University, about 9,000; at Western New Mexico University, about 1,400. Other colleges have more.

More important, over 70 percent of all financial aid in most New Mexico colleges is Federal. In some it is almost the only source available. In New Mexico Highlands University and New Mexico Junior College in Hobbs there is very little financial assistance that is not Federal. These schools serve students to whom financial assistance is absolutely essential, whose families cannot sustain higher levels of personal debt. Other States may be richer than New Mexico. But in my home State, this amendment would make the difference in reducing the level of student and family debt to a point that working families feel it is within their reach. This would enable some students to go to college who otherwise might not go. Graduating from college is no longer a ticket to the good life; it has become a mandatory qualification for most entry-level professional jobs.

This bill strikes at the heart of the Federal Government's commitment to education; the Kennedy-Simon amendment renews that commitment to making college accessible to qualified students regardless of privilege. I urge my colleagues to adopt this amendment.

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

Mr. BINGAMAN. I urge my colleagues to support the Kennedy-Simon amendment.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. How much time remains?

The PRESIDING OFFICER. The Senator has 28 minutes.

Mr. ABRAHAM. I yield myself such time as I may need to make a brief statement or two regarding this amendment. And then I will yield time to another Member on our side.

The chairman of the Senate Labor and Human Resources Committee and I were chatting here on the floor, and the Senator from Kansas indicated to me a couple of things. Members on both sides are probably aware that there are discussions going on now that may directly address much of the content of this amendment in a way that would be very similar to what is being proposed here. Those discussions are going on as we debate this issue.

There is likely to be, from our side, an amendment which would be responsive to some of these concerns, many of which were raised in the Labor and Human Resources Committee—Members on both sides of the aisle—during the debate.

For the students who are watching today and listening to our proceedings, or their families, I want to point out a couple of factors which, once again, the chairman of the committee reminded me of, which we discussed during our deliberations on this.

First of all, nothing in the reconciliation package will, in any way, affect the volume of loans available to students. In other words, the growth rate of student loan volume will continue unabated under the Republican package. Students who are hoping to get loans will have those loans available. We are not contracting the size of the loan volume. I believe it will be in the vicinity of $26 billion annually under this package.

In addition, I point out concerns that have been raised hear about the origination fee that is part of this package. There was an amendment, as the President will remember, brought before the committee that would have eliminated the origination fee. It was opposed and voted down. I believe every Member of the minority party voted against an amendment that would have eliminated those origination fees.

I want to, once again, point out just for clarification, insofar as the grace period issue is concerned, we are not asking students to begin paying back their loans upon completion of school. Our changes only go to the issues of when interest begins to accrue. Students will still have 6 months after they graduate before they are required to begin paying their student loans. Indeed, as I think everybody is aware, the overriding goal we have here in this reconciliation package, and more broadly in our budget, is to bring the budget into balance.

Mr. President, when we do that, we not only will bring down interest rates for the Federal Government, we also will bring down interest rates across America for everybody. When those interest rates come down, they will not just come down insofar as what we pay on the bills, it will be for what people pay on home mortgages and with respect to student loans. As those student loan interest rates come down, they will, I believe far more effectively, help students to finance their college education than anything we are doing here today, because a much lower student loan rate is going to mean far less total dollars spent by students than anything else we could do here in the U.S. Senate.

I also note that in our finance package here in the reconciliation bill, there also is a student loan deduction available to people who are paying student loans, for middle-income families. That, too, will help to offset the burdens of college education that middle-class families in this country pay.

So we are trying to be responsive. We are not reducing the volume rate. We are not requiring students to begin paying their loans earlier; and, most important, we are trying to balance the budget so that interest rates on student loans will be so low that they will help students in the kind of ways students want most, which is a total amount of money being paid back, lower than what they have to pay back today.

I yield 10 minutes to the Senator from Montana.

Mr. BURNS. Mr. President, this is the first time I have come to the floor to comment on this reconciliation package. I guess the first thing we tried to look at with regard to this is the tax cuts and also the cuts in spending. One has to look at it from the standpoint of how it affects home. What does it do for my home State of Montana? There are some things not in this package that I think, if you want to do something about a farm bill, give farmers accelerated depreciation and income averaging, we would not need a farm bill, if you want to be fair with agriculture because of the conditions under which they work.

But in this package, I congratulate Senator DOMENICI, the chairman of the Budget Committee and, of course, the Finance Committee, for their exceptionally hard work to try to balance and make it fair. Tax relief for families is the biggest part of this tax relief provision. It goes to families. Now, we hear talk on the other side of the aisle this morning about a cutback in programs. Why do you think there are tax cuts in here? Because it allows families to make the decision on how they want to spend their money, not how it is spent here in Washington, DC; it is for them who live in the hinterlands. There is tax relief for senior citizens and small businesses.

When you look at my State of Montana, that is going right down the line where we need a little relief. And we close some loopholes for corporations. So they did exceptional work on this. We have heard about the tax break for the rich, corporate welfare, and all of this, those loopholes for the corporations. They have been closed. Frankly, I have not seen a lot of that. This tax package, as a total revenue cost over a 7-year budget, is around $245 billion. However the cost is reduced by elimination of those corporate loopholes, which saves the Government a little over $21 billion over 7 years. That net cost makes us back to $224 billion. We can get bogged down in figures. I know how easy that is.

We have to keep reminding America through this whole debate that the single largest revenue item in this tax package is a $500 per child tax credit, which has a cost of about $142 billion. What is wrong with letting families hang on to their money? They earned it. Sure, there are some Government services they want to pay for and it takes some amount of dollars to provide services that only Government can offer. We know that. But when they start making the decisions for all parts of your life, then that is where the real debate starts. Nobody is debating public safety here or doing some of the things for the society that has to be done.

This package provides for an adoption credit; a marriage penalty credit; deductions for student loan interest, for the first time; deductions for contributions to individual retirement accounts. These tax breaks—about $28 billion, or so—are 13 percent of the total cost of the package, and are targeted for folks who are middle-income folks. There is $40 billion in capital gains tax reform. There, again, we hear ''cut taxes for the rich.'' Capital gains tax is a voluntary tax.

You do not have to pay capital gains tax. You do not have to pay it because you do not have to sell.

The real wealthy folks can get around it because they know how to move those things around with tax laws and different laws.

On capital gains, this helps even the homeowner whenever he sells his home and wants to retire. Everybody whose assets appreciate, pays capital gains taxes—that is, if they sell.

So it is not for the rich. It is for all Americans that are smart enough to get a hold of some assets that appreciate, and they pay taxes on them.

We visited with a very knowledgeable man from Kansas and he said over $7 trillion of assets would flow onto the market if the capital gains was cut in half. Imagine what that would do to the American economy. Imagine what that would do to the tax coffers of the Treasury of the U.S. Government, so that maybe we can do some things that we want to do.

We have to think a little bit—just think a little bit. Capital gains is basically a voluntary tax. Just a voluntary tax.

Another provision in this package, the estate and inheritance tax provision on that reform. Folks who leave estates—those estates have been taxed and taxed and taxed and the interest they make on that has been taxed and taxed and taxed and then when they die they are taxed again.

I think of all of the ranches and farms in the State of Montana where money had to be spent for insurance policies to protect themselves so they could pay the inheritance taxes so the farm or the ranch can stay in the family.

Needless, needless expense. They paid taxes on that land, and property tax, income taxes, investment taxes, and then when the key family member passes on there is another estate tax that has to be paid again.

Hard-working families—the only thing they have on these farms and ranches is just the land. They have not made a lot of money. They do not have a lot of cash. They just do not have a lot of cash.

In effect, these death taxes are robbing American communities of a tradition of values that local family-run businesses provide. I wholeheartedly support that provision. If you feel for a young man that is trying to start off in the agriculture business, my goodness, do not strap him with a debt that he cannot work his way out of.

If you think there is not some disparity there, I will give you just a little idea on what it is like to farm. I was walking down the grocery store aisle the other day and found out that Wheaties cost $3.46 a pound. Do you realize that we are only getting $2.50 a bushel for a bushel of wheat that has 60 pounds of wheat in it?

They wonder—it is a little bit of disparity here. You want that man to keep on producing food and fiber so the American people can eat cheaper than any other society on the face of this Earth.

A while ago I listened to my distinguished colleague from the other side of the aisle challenge the estate tax credit. Their argument is focused on the unfairness of giving a tax break to any estate that exceeds $5 million.

I have asserted the top one half of the top 1 percent of the American people fall into that category. They should not be getting a tax break in the first place. I agree.

I must depart from my distinguished colleagues on the other side of the aisle for two reasons. I believe any death tax is on its face unfair. If we are going to keep these small businesses, these farms and ranches in the families of traditional values, we have to take a look at what we do in the taxing situation.

Taxes that cost jobs—the alternative minimum tax, we did not get all that we needed in this, but if there is one place that creates jobs and opportunities, it is here. When you tax small corporations, small family businesses, make sure that they keep two sets of books to see which one is a higher set of taxes than the others, that takes away from this business of the ability to expand, to expand their business.

Under the committee's package, the method of depreciation is conformed but the useful life is not.

One major problem with this is that business will start to have to suffer the unnecessary costs of maintaining two sets of books on each depreciable assets of the performing two tax computations to determine that they do not fall into the alternative minimum tax bucket.

Two sets of books—needless, costly. We could be investing that in a bigger payroll. That is what creates jobs.

In conclusion, we should talk about some good things that are in this package. Talk about the good things that people are going to say we will keep more money in your neighborhood, for your quality of life, that you can make the decisions on how you want to spend the money and not be looking toward this 13 square miles of logic-free environment or answers that sometimes just do not work in our local communities.

That is what this debate is all about—where the power is, the power of the purse string. With the tax credits and some reform we will do the responsible thing and not the irresponsible thing of saying, ''Let's wait until next year,'' or ''Let's accept the status quo,'' and we know what the results of that are.

I yield the floor.

Mr. KENNEDY. I yield 5 minutes to the Senator from Illinois.

Mr. SIMON. Mr. President, I rise in strong support of the education amendment offered by my colleague from Massachusetts.

I glanced through this two-volume reconciliation thing this morning and I found all kinds of things. Here is a provision for the Hetch Hetchy Dam. I have no idea where the Hetch Hetchy Dam is or what it means.

It has very little significance for the future of our country, but what does have significance for the future of our country is what we are doing in the field of education.

The Presiding Officer may be too young to remember the GI bill after World War II. There was a fight on the GI bill. The American Legion, to their credit, said ''Let's have educational benefits as part of the GI bill.'' The other veterans organizations said, ''Let's have a cash bonus for veterans.''

Fortunately, the American Legion prevailed and we put the money into education. We lifted this Nation.

Now we face the same choice. Do we have a tax loophole here that is being put in, which the Kennedy amendment says, ''Let's not put that tax loophole in,'' or do we put the money in education? The Kennedy amendment says put the money in education.

I want to address specifically the question of direct lending. Let me say to my colleagues on the Republican side, this is not a Democratic idea. The first person that suggested it is Congressman TOM PETRI, a Republican from Wisconsin.

My cosponsor of this legislation in the U.S. Senate was Senator David Durenberger, a Republican from Minnesota. When he was approached and said we ought to have the free enterprise system work and have the banks and the guaranty agencies profit from it, Dave Durenberger said, ''This is not free enterprise; it is a free lunch.'' That is the reality.

There is not a school in the country, not a college or university, that is on direct lending, that wants to go back to the old system.

Colleges and universities like it, the students like it, taxpayers like it for reasons I will get into in a minute, and for my colleagues on the Republican side who say we like to do away with paperwork, I have heard speeches on both sides on that, every college and university says this does away with all kinds of paperwork. This is a change not just for a speech but for a vote. If the colleges and universities like it, if the students like it, if it is good for the taxpayers, why are we limiting direct lending? My friends, the only beneficiaries are the banks and the guaranty agencies and their lobbyists. And we have just seen in the newspapers that the banks have record-breaking profits. If we want to have a bank subsidy bill, let us call it that, but do not put the name of ''student assistance'' on it. Let us not play games.

Who are these people who are fighting direct lending? The Student Loan Marketing Association, Sallie Mae, created by the U.S. Congress. The salary of the chief executive officer of Sallie Mae, 3 years ago was $2.1 million. All they do is student aid, guaranteed by the U.S. Government. The guaranty agency, one in Indiana, USA—the chief executive officer earns $627,000. We pay the President of the United States $200,000. And that one guaranty agency is spending $750,000 on lobbying on this.

We face a choice. Are we going to help students and parents and taxpayers or the banks and the guaranty agencies? It is very, very clear. This is brazen, Mr. President, brazen. We have to help people.

Indiana University says there is 90 percent less paperwork with direct lending, 25 percent fewer errors, easier adjustments, faster disbursement. I have heard a lot of talk about unfunded mandates around here. This is an unfunded mandate you are imposing on colleges and universities. Iowa State University, for example, testified they have been able to take four people who used to work in student loans because of the all the paperwork and everything, and have them do other things. And they have been able to cancel some of their computers that they have, for $400 a month.

If I may have 1 more minute?

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

Mr. SIMON. It is very, very clear what the public interest is. ''Banks Cash In, Taxpayers Lose on Loan Programs,'' USA Today says.

Government employees—we hear a lot, let us simplify. This is what we are told: 500 employees direct lending; 2,500 Government employees. That does count the guaranty agencies.

Then here is what CBO says about the 20 percent cap that is in here right now: Under current law, direct lending will save us, over 7 years, $4.6 billion.

What we did on the budget resolution, we said count administrative costs for direct lending but not for the old program. So, because of the phoniness—and even the Chicago Tribune says they are cooking the books here—you theoretically save $600 million. The real saving is a saving of $4.6 billion.

If we are interested in helping students, colleges and taxpayers, we ought to be voting for the Kennedy amendment.

The PRESIDING OFFICER. Who yields time?

Mr. ABRAHAM. Mr. President, I yield 10 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized for 10 minutes.

Mr. GORTON. Mr. President, I believe that it is important constantly, during the course of this debate, to return to fundamental principles, to the broad policy goals which we as a nation ought to seek for the betterment of our society and for a brighter future for those who follow us. In returning to those fundamental principles, there is no better place to start than with this fundamental principle enunciated by Thomas Jefferson almost two centuries ago. And I quote our third President:

> The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of Government. We should consider ourselves unauthorized to saddle posterity with our debts and morally bound to pay them ourselves.

The staff notes I have here with me this morning have, at one place, the notation ''they,'' that is to say the opponents to this resolution, ''do not wish to balance the budget.'' But I do not believe that to be true. I have not heard any argument at any time this year from a Member of this body that has not included in it at least lip service to the concept of a balanced budget. But, of course, there are three ways to that goal, or at least three kinds of oratory which give lip service to Thomas Jefferson's principle.

The first is to state the principle but always to have an objection to any course of action which will make that principle a reality. And that is the common approach of those who oppose the resolution we have before us today.

The second way, a way that seems to have very little support on the other side of the aisle but clearly actuates the President of the United States, is to define the problem out of existence. I will come back to that in just a moment.

The third way, the hard way, the difficult way, is actually to make basic changes in our laws and in our spending policies, that will in fact lead us to a balanced budget.

To return for a moment to the President's approach of defining it out of existence, I would also like to quote him. Just a little more than 2 short years ago, the President of the United States said:

> The Congressional Budget Office was normally more conservative about what was going to happen and closer to right than previous Presidents have been. I did this so we could argue about priorities with the same set of numbers. I did this so that no one could say I was estimating my way out of this difficulty. I did this because, if we can agree together on the most prudent revenues we are likely to get if the recovery stays and we do the right things economically, then it will turn out better for the American people than we said. In the last 12 years, because there were differences over the revenue estimates, you and I know that both parties were given greater elbow room for irresponsibility. This is tightening the reins on Democrats as well as Republicans. Let us at least argue about the same set of numbers so the American people will think we are shooting straight with them.

In those eloquent words the President said let us all agree that we will use the projections of the Congressional Budget Office.

That was then. This is now. Earlier this year the President presented a budget to us which never, in his own terms, included a deficit of less than $200 billion. Later, when it turned out that Republicans were serious about balancing the budget, the President said, ''Me, too. I can do it. And I can do it without pain. I can do it without changing any major policies in the United States. I can do it by defining it out of existence. I will abandon my allegiance to the Congressional Budget Office. I will simply estimate that interest rates and inflation will be lower and revenues will be higher, and without any major changes at all we can balance the budget.'' So he defined the problem out of existence.

The day before yesterday in this body we had a straw poll, as it were, on whether or not the President's approach was acceptable. And it lost by a vote of 96 to nothing. The other side of this aisle, quite properly, rejects that approach. But it also rejects the approach of any significant changes. So, at this moment, nominally we are debating education. They do not want any changes. Previously we were debating Medicaid. They do not want any changes. Before that we debated Medicare. They do not want any changes. In fact, you can go down a litany of spending programs, and they do not want any changes. But they would like to have a balanced budget. It just is not a high enough priority.

Mr. President, to return to the Congressional Budget Office, we now know that we are not simply engaging in a game of whether or not it is appropriate to balance the budget. We know what the positive results of balancing that budget will be. The Congressional Budget Office says that if we actually change the laws appropriately interest rates will be sufficiently lower and economic growth will be sufficiently higher so that the Federal Treasury will be $170 billion better off by the time the budget comes into balance in the year 2002. That is only the Federal Treasury. That is not the other hundreds of billions of dollars which will be in the

pockets of the American people because they have better jobs and higher wages.

That is what this exercise is all about, a better break for America.

So what are we proposing to do? We are proposing to say to the Americans, if we go through this process, if we make these changes, we are going to give that $170 billion back to you in lower taxes on working Americans, and a little more besides because we have been responsible enough to balance the budget.

So when we get right down to it, Mr. President, that is what this debate is all about.

First principles—the moral duty not to load our spending on the backs of our children and grandchildren; and the economic benefit—an economic benefit I suspect Thomas Jefferson did not suspect—of acting in a responsible fashion, both because we will create more opportunity for our people and because we can appropriately lower our taxes.

That is the difference between the two parties. That is the difference between a yes and a no vote on this resolution.

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

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

The PRESIDING OFFICER. The Senator from Massachusetts has 20 minutes and 54 seconds.

Mr. KENNEDY. I yield 4 minutes to my colleague.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. I thank the Senator for yielding.

I just could not help but hearing my friend from Washington saying we have a moral obligation. Yes. We do. We have a lot of moral obligations to our children and to the future. One of the most important obligations is to ensure that future generations have the ability to get a decent, sound education so that they can raise their families and so that they can compete in the world marketplace. That also is a moral obligation.

What this reconciliation bill does is pull the rug out from under that obligation that we have for future generations.

Mr. President, we hear a lot of talk about the tax breaks that are in this bill. Those of us on this side have been talking about the $245 billion tax breaks for the wealthy that will come at the expense of the elderly and Medicare cuts. There is an $11 billion cut in student aid in this bill, the largest cut in student aid in our history. But what we are not hearing about are the hidden taxes that the Republicans have in this bill, the ''stealth taxes.'' This is what they are hitting students with to pay for those tax breaks for the wealthy.

This chart illustrates this right here. This budget adds about $700 to $2,500 of debt per student by eliminating the interest subsidy during the grace period. That is a hidden tax on our students. It also includes up to $5,000 in additional expense for families who use the PLUS program by raising their interest rates. It is another tax on students and their families. It imposes a direct Federal tax of .85 percent on colleges and universities participating in the student loan programs; a direct tax on colleges. Of course, they are going to have to pass that on to their students.

Last, of course, it forces schools out of the direct loan program that has been so successful.

So we hear about the tax breaks to the wealthy. We do not hear about the stealth taxes that are in the Republican bill, and mainly it falls on students.

Mr. President, there was an article recently in the Des Moines Register which I ask unanimous consent to have printed in the RECORD at this point.

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

[From the Des Moines Register]

THE REALITY OF CUTTING STUDENT AID

(By Rekha Basu)

If you want to talk to Robin Kniech, you'd best catch the Drake University junior early, before she heads for class or checks in at one of her five jobs, which add nearly 40 hours to her already full load.

Between the baby sitting, secretarial and other work, Kniech just manages to eke out her $1,200 tuition contribution. The rest of the $14,100 is made up from merit-based scholarships and college loans.

Last week, which was Save Student Financial Aid Week, sponsored by Drake Democrats, Kniech was also out rallying students against proposed cuts to federal student aid. For her, it's a subject of more than political interest. Any cuts, however small, could tip the delicate balance she has crafted to get a college education.

''I don't have any financial support from my parents,'' says Kniech. ''I don't have any more hours to squeeze, and if I were to lose $300 in aid, I probably wouldn't be in school.''

Just when you start thinking there's no other sacred zone left for congressional Republicans to tamper with, along comes another. If it isn't school lunches or aid to families with minor children, or programs that give disadvantaged preschoolers a fighting start, if it isn't rolling back federal standards governing the care of elderly in nursing homes or the health care of low-income people, then it's gashes into the very programs that enable people to go to college so they can hope to get decent jobs. At Drake, several hundred thousands dollars could be lost, according to John Parker, director of financial planning. Some 60 percent of Drake students get need-based assistance.

This is a tough issue to get your arms around, given the rather confusing tangle of college-aid programs and formulas. But the bottom line is the GOP plans to take $10.4 billion out of student-loan entitlement programs and apply it to deficit reduction. The legislation targets Stafford loans—private loans secured by the federal government, which you might remember as Guaranteed Student Loans. That's what they were called when I got one for graduate school. A whopping 90 percent of Drake law students and 40 percent of undergraduates now get them.

It also hits loans to parents to help finance their kids' educations, and several loan programs originating with the federal government but administered by the university, such as the Perkins loan. That cut alone would knock off aid to 90 Drake students.

Some proposals that might seem benign can cut quite deep. One would force student recipients of subsidized Stafford loans (those given to the highest-needs students) to start accruing interest charges immediately on graduation, instead of after the six-month grace period they now have. The added debt could be just enough to derail Kniech's plans to join the Peace Corps. ''This hits at high-needs students harder than anybody else,'' says Parker.

There's also a proposal to raise both the ceiling and floor on the major federal grant program, Pell grants, disqualifying some 250,000 students nationwide, costing 75 Drake students about $40,000, and affecting students' eligibility for other grants. And more.

If you're tempted to argue that a student like Kniech should set her sights on a less costly education, forget it. She couldn't afford community college. She'd have to pay more than twice what she's paying out of pocket.

Viewed piece by piece, the cuts may not look like much. And Drake Republicans have countered with flyers pointing to the programs which aren't slated for actual cuts (but contain no increases for inflation), or the growth in funding of the Pell grant program. But every cut matters to students struggling to stay afloat. ''There are students at Drake who, if they had to come up with another $50 they just flat out couldn't do it,'' Parker says. And there's the precedent. As senior Tanya Beer put it, ''I think we're moving more toward education for the privileged rather than education as a right.''

The financial-aid story offers an interesting juxtaposition of GOP fact and rhetoric. While the cheerleaders of congressional Republicans like to rail about elitist liberals, the scheme unfolding in Congress is built around an unparalleled elitism, deliberately cutting off avenues for advancement for those starting out at a disadvantage, even as they are admonished to stay in school and work harder.

So excuse Robin Kniech if the politicians' lectures about working her way up ring a little hollow. She's keeping her end of the bargain, and a 3.8 grade-point average. She just doesn't have anything left to give up.

Mr. HARKIN. It is entitled ''The Reality of Cutting Student Aid.''

I will read a couple of items from it:

If you want to talk to Robin Kniech, you'd best catch the Drake University junior early, before she heads for class or checks in at one of her five jobs, which add nearly 40 hours to her already full load.

Between the baby sitting, secretarial and other work, Kniech just manages to eke out her $1,200 tuition contribution. The rest of the $14,100 is made up from merit-based scholarships and college loans.

''I don't have any financial support from my parents,'' says Kniech. ''I don't have any more hours to squeeze, and if I were to lose $300 in aid, I probably wouldn't be in school.''

John Parker, director of financial planning, said that 60 percent of Drake students get need-based assistance.

''There are students at Drake who, if they had to come up with another $50, just could not, flatout could not, do it,'' Parker said.

I think I will end on this note, a good note. The writer of the article said:

So excuse Robin Kniech if the politicians' lectures about working her way up ring a little hollow. She's keeping her end of the bargain, and a 3.8 grade-point average. She just doesn't have anything left to give.

Mr. President, here is what is happening at one of our regent universities, the University of Northern Iowa, the smallest of our three state universities. For the 1990–91 school year the average loan of a student per year was $2,589. That was in 1991. Today that is up to $4,395, and, if this reconciliation bill passes, that is going to climb even higher. This bill just piles more debt on students. That is going to discourage students from going to school and seeking a higher education.

Who does it hit? It hits moderate- and low-income families the hardest. That is why we have to defeat this reconciliation bill and make sure that these students can get a decent education.

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

Who yields time?

Mr. KENNEDY. I yield 4 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Thank you, Mr. President. I appreciate my colleague yielding me this time.

Mr. President, I am a cosponsor of this amendment and strongly support this amendment. Many good arguments have already been made here this morning. In fact, the chart used earlier by my colleague from New Mexico I think makes the case. Seventy percent of the cuts proposed in the bill before us will fall on students and their families; 30 percent are industry losses.

I suppose in the context of a huge budget, some may say what is $7.6 billion in all of this? I suppose there are not many people here in this body who would understand what this will mean to millions of Americans. The impact seems relatively minor when you start talking about $100, $300, or $500 a year. But they are not minor costs for most Americans.

There is a failure to appreciate, whether it is Medicaid, Medicare, higher education, that while these numbers of $90, $100, $200, $2,000, or $2,700 do not seem like anything large in the context of people of the upper-income levels, to working families in this country, these amounts make the difference between getting an education, getting health care, losing the job, or falling back into poverty. And for many of these families, they will be hit time and time again by the provisions of this bill—they will pay more for health care, receive less earned income tax credit and pay more for college.

Our colleague from North Dakota the other day offered an amendment on the cuts in Medicare. He said cannot we forgo the tax breaks for people making in excess of $250,000 a year? The savings to us would be $50 billion over 7 years, if we just said nobody over $250,000 gets a tax break. We could have saved $50 billion, if we had followed that amendment. But this Senate said no. We are even going to provide the tax breaks for people making in excess of a quarter of a million dollars.

Just think what that $50 billion would do. We would not have to be debating this amendment. Mr. President, $7 billion of that $50 billion could go to these middle-income families out there that are going to feel the pinch in higher education.

Mr. President, we all appreciate and know that in a global economy in the 21st century we are going to have to produce the best-educated, and the best-prepared generation that this country has ever produced if we are going to be effective. That is common sense. Everyone ought to understand that.

Yet as you increase these costs on these families, we are going to watch students fall through the cracks. We are going to lose that talent and ability merely because we want to provide a tax break for people making in excess of a quarter of a million dollars. I do not know anyone who believes, if you have to make a choice as to which of those two groups you benefit when there are scarce resources, it ought not go to people earning a quarter of a million dollars rather than to those of modest means pursuing higher education.

I think it is regretful; I think it is sad, indeed, that this institution could not make the simple decision of saying to those at the highest incomes: Wait a while. Maybe next year or the year after we can provide a tax break for you. But right now we need to assist families struggling to meet the costs of higher education.

This $7.6 billion is going to fall heavily on those families out there trying to make ends meet, trying to send their kids to college and trying to make difficult choices that make this possible.

Let me just quote one recent survey. It shows that business that made an investment in the educational attainment of their work force—as reported by corporate managers—resulted in twice a return in increased productivity of a comparable increase in work hours and nearly three times the return of an investment in capital stock. That is corporate managers talking about the importance of investments in education. I hope this amendment is adopted.

There are 11 million young Americans who are in our public higher education institutions. Cannot we today offer some relief, some hope for them even if it means saying to those making more than a quarter of a million a year, you are going to have to wait a while to get your break, to see to it that those 11 million families, those 11 million children get the opportunity for a decent education? That choice ought to be clear.

I urge adoption of the amendment.

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

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ABRAHAM. At this time I yield 10 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 10 minutes.

Mr. NICKLES. Mr. President, I wish to thank my colleague from Michigan. I compliment him on his leadership. I just mention that many of the allegations and statements that are made are certainly not taking a look at the overall big picture.

I wish to help students, too. I understand that there may be a leadership amendment that is going to make some modifications in the proposals that are being discussed. I think I will wait for the discussions on the specifics until that amendment is offered. It will be accommodating some of the concerns that have been raised because I think all of us—I happen to have four kids, two of whom are in higher education right now. That costs a little money. But I will tell you the best news we could give my kids that are going to college is to balance the budget.

We only have one proposal before us to balance the budget. That is the proposal that the Republicans have put forth that will give us a balanced budget. I remember going to a town meeting not too long ago and somebody who was about 23 years old raised their hand and said: Senator, will I ever see a balanced budget in my lifetime?

They were just as serious as they could possibly be. Later today, or maybe tomorrow, we are going to be voting on a balanced budget. But there is only one. President Clinton does not have a balanced budget. We do. When you think of somebody going to college and talking about college loans, what a heck of a deal it is right now that they inherit such enormous national debt. Let us at least stop it.

The only proposal that we have before us to stop it is our proposal to balance the budget. Now, we may make some modifications in the proposal to alleviate some of the concerns that have been raised specifically dealing with student loans. So again I will leave that alone for the time being.

Let us talk about what we are doing for all American families. I heard my colleague say, well, this is $10 billion. We are giving American families $140 billion of tax cuts. If they have children, they get a tax cut under our proposal, $500 per child. If you have four children, that is $2,000. That is pretty significant. And families get to decide if they want to use that money for education, for transportation, or for other things. Families make that decision. I think that is important.

I also want to talk about the benefit of a balanced budget for the average American family. If you have a $100,000 mortgage—it seems like that is a large amount but that is not that unheard of today—you will have savings—it is estimated by independent sources that by having a balanced budget you will

have a 2-percent interest rate reduction, maybe as high as a 2.7-percent reduction on a $100,000 mortgage. That boils down to savings of over $2,000 per year, actually $2,162 per year.

Also, if you have a student loan, let us say an $11,000 student loan, that is $216 in savings just in the fact that interest rates have come down. If you have a car loan of, say, $15,000, you have savings of $180. Those total savings of $2,500 per year if we are able to bring interest rates down by balancing the budget. So I think students have a real interest in seeing us balance the budget.

I also want to talk about some of the misstatements that have been made. Are families better off at different income levels? Because I heard some people say some lower-income families are getting a tax increase. That is totally false, totally, completely false. And so again I wish to look at what happens to families under this proposal. Families that make, say, $5,000, they do not pay any income tax. They pay zero income tax. Right now they get an earned income credit of $1,800. They get it under present law. That is what they are going to get under our proposal.

What about families making $10,000? They still do not pay any income tax. They get a $3,110 EIC. Next year they are going to get an increase that goes to $3,200.

What about families that make $15,000? Right now, they get a check from Uncle Sam of $2,300. They do not write Uncle Sam a check. They still pay zero income tax and next year they are going to get a bigger check, $2,488. So that is an increase. That is an improvement.

What about families that make $20,000? Well, they get an EIC of $832. With two children, they are presently paying zero tax. Next year, they are going to get from us, EIC goes up to $1,429.

You might say, why? Well, the tax credit reduces their tax deduction so they get a higher EIC.

What about a family that, say, makes $30,000. You have a lot of families making $30,000 that are sending kids to school. Right now, they are writing Uncle Sam a check for $929. Under our proposal, they will receive an EIC of $171 and pay no income tax. That is over a $1,000 improvement for that family. And actually every family beyond here will receive over a $1,000 improvement. Right now, if they are writing checks for $2,000, they will write a check for $900. That is over a $1,000 improvement.

A $40,000 family would write a check to Uncle Sam right now with two children, $3,500. Under our proposal, they will write a check for $2,400. Again, they save $1,100. They save in the child credit. They also save from the reduction in the marriage penalty.

A family making $50,000 would write a check for $5,000. Under our proposal, they will write a check for $3,900. They will get a $1,100 savings. They can use that money for education. Our whole propose is targeted at families, and families can decide how to spend that money. And people with children are concerned about education. We are going to let them keep their money so they can decide how it should be spent. I think that is awfully important.

We have heard a lot of rhetoric that bothers me because it is not factual. Lower-income groups are going to have their taxes raised. Not true. In many cases they are alluding to earned income credits, and so on. Those grow. I happen to be pretty familiar with them. I am going to put them in the RECORD. Maybe everybody can be familiar with them. These credits are growing every year. We give taxpayers a tax cut if they have children and they want their children to go to school.

It is interesting; after the debate we had last night, somebody called my office about 11 o'clock and said: I am kind of embarrassed because my daughter, who is going to school, going to college received an earned income credit of $300. He said the reason why I am embarrassed is because I am a millionaire. But in present law they qualify. Does that make sense? I said, well, why would your daughter qualify? Well, she forgot to tell them that I gave her $18,000 to support her college education. But under present law she can qualify if she does not report that income. Now, we try to tighten down on EIC, so we report other income and say that income should be counted.

Right now with EIC, you qualify under the program if you make less than $26,000. Under our proposal we allow that to grow to $29,000. Some people say that is a Draconian change because the administration wants you to qualify for EIC if you make $34,600. That may be the majority of people in Alabama; that may be the majority of people in Michigan, maybe in Oklahoma. There are a lot of people in our State that make less than $34,000.

So we curb the growth. Right now you can qualify if you have income less than $26,000. We allow that to grow under our proposal to $29,000. But the administration wants it to grow to $34,000.

I had a millionaire call me last night and say, ''My daughter received a benefit that I don't think she should have. I think you're right. I think a lot of people are receiving this benefit that shouldn't. Let's try to target our assistance to those people who really need the help.''

That is what we are trying to do, target our assistance. Some 70 percent of this package is directed at American families that make less than $75,000 per year. Those are the families that are sending their kids to school. So let us be responsive. Let us be helpful. And let us make some of the changes that are necessary to make our economy grow.

At the same time, let us balance the budget. I am really excited about the opportunity to balance the budget. I am bothered by the fact that the President of the United States had a press conference yesterday and he said, ''Look how great we are doing. The deficit has come down 3 years in a row. We are making real progress.''

What he forgot to show is what happens in the future. According to the Congressional Budget Office, his deficit grows. He talks about $164 billion in 1995, and it is less than it was the year before. I think that is great. I do not think he is entirely responsible for that. But what happens in the outyears? Well, the Congressional Budget Office says that it will be $210 billion in the year 2002. He forgot to tell everybody the deficit is going to go from $164 billion to $210 billion and over $200 billion almost every year, according to the Congressional Budget Office.

That is not acceptable. There is a change. Some of us are very, very sincere. We mean it. We want to balance the budget. Some of us voted for a constitutional amendment to make us balance the budget, and we failed. We lacked one vote in the Senate. But we also said we should do it whether this amendment passes or not.

Many people on the other side of the aisle said, ''We should pass a balanced budget. We don't need a constitutional amendment to make us do it.'' And if we had the right composition in this body, they would be correct.

The PRESIDING OFFICER (Mr. SHELBY). The Senator from Oklahoma has spoken for 10 minutes.

Mr. NICKLES. I ask for an additional 2 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for an additional 2 minutes.

Mr. NICKLES. It would be correct if we had the composition in the body that would vote for a balanced budget. But I will tell my colleagues, we cannot balance the budget unless or until we are willing to contain the growth of the entire budget. And we have already had votes to say, ''Oh, let's don't reduce the rate of growth in Medicare. Oh, we're cutting $270 billion in Medicare.''

The facts are, in Medicare, this year we are spending $178 billion in Medicare, and in the year 2002 we are going to spend $286 billion in Medicare. That is a significant increase. It is a 7 percent increase over that entire period of time, 7 percent per year.

''Don't cut Medicaid, for crying out loud. No. Medicaid is too sensitive.'' They forget to tell people Medicaid in the last 4 years has grown as much as 28, 29, 13, and 8 percent. Make that in 5 years then 9 percent. Medicaid has exploded in costs. Many States have figured out ways to dump their liability on the Federal Government. It used to be a 50–50 share for most States. Now they are figuring out ways to make it 70 percent Federal Government, 30 percent State. We are trying to reform that and curtail that growth.

Mr. President, I think it is awfully important we balance the budget, and I

compliment my colleagues for the proposal we have before us today. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ABRAHAM. Mr. President, may I inquire as to how much time is left?

The PRESIDING OFFICER. The Senator from Michigan has 8 minutes 40 seconds.

Mr. NICKLES. Will the Senator yield me——

I ask unanimous consent, Mr. President, to have printed in the RECORD several charts and other material.

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

AMERICAN FAMILIES BETTER OFF TOMORROW THAN TODAY UNDER SENATE GOP BILL

AGI=Earned Income	Today		Senate GOP Bill—1996	
	EIC check from Uncle Sam	Tax check to Uncle Sam	EIC check from Uncle Sam	Tax check to Uncle Sam
Married with Two Children				
$5,000	$1,800	0	$1,800	0
$10,000	3,110	0	3,208	0
$15,000	2,360	0	2,488	0
$20,000	832	0	1,429	0
$25,000	0	$929	171	0
$30,000	0	2,018	0	$950
$40,000	0	3,518	0	2,450
$50,000	0	5,018	0	3,950
Married with One Child				
$5,000	$1,700	0	$1,700	0
$10,000	2,094	0	2,156	0
$15,000	1,359	0	1,525	0
$20,000	0	$190	266	0
$25,000	0	1,643	0	$1,083
$30,000	0	2,393	0	1,833
$40,000	0	3,893	0	3,333
$50,000	0	5,393	0	4,833
Single with Two Children				
$5,000	$1,800	0	$1,800	0

AMERICAN FAMILIES BETTER OFF TOMORROW THAN TODAY UNDER SENATE GOP BILL—Continued

AGI=Earned Income	Today		Senate GOP Bill—1996	
	EIC check from Uncle Sam	Tax check to Uncle Sam	EIC check from Uncle Sam	Tax check to Uncle Sam
$10,000	3,110	0	3,208	0
$15,000	2,098	0	2,488	0
$20,000	337	0	1,429	0
$25,000	0	$1,424	0	$347
$30,000	0	2,513	0	1,468
$40,000	0	4,013	0	2,968
$50,000	0	5,513	0	4,468
Single with One Child				
$5,000	$1,700	0	$1,700	0
$10,000	2,094	0	2,156	0
$15,000	864	0	1,425	0
$20,000	0	$685	0	$252
$25,000	0	2,138	0	1,600
$30,000	0	2,888	0	2,350
$40,000	0	4,388	0	3,850
$50,000	0	5,888	0	5,350

85urce: Joint Committee on Taxation.

EARNED INCOME TAX CREDIT

[Historical and current law estimates]

Calendar 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	.9	−1	.4	16	6,473,000	4	200	0
1977	1.1	−13	.9	−1	.2	−39	5,627,000	−13	200	0
1978	1.0	−7	.8	−9	.2	0	5,192,000	−8	202	1
1979	2.1	96	1.4	74	.7	166	7,135,000	37	288	43
1980	2.0	−3	1.4	−2	.6	−6	6,954,000	−3	286	−1
1981	1.9	−4	1.3	−7	.6	3	6,717,000	−3	285	0
1982	1.8	−7	1.2	−4	.6	−13	6,395,000	−5	278	−2
1983	1.8	1	1.3	5	.5	−8	7,368,000	15	224	−19
1984	1.6	−9	1.2	−10	.5	−6	6,376,000	−13	257	15
1985	2.1	27	1.5	29	.6	24	7,432,000	17	281	9
1986	2.0	−4	1.5	−1	.5	−10	7,156,000	−4	281	0
1987	3.4	69	2.9	98	.5	−13	8,738,000	22	450	60
1988	5.9	74	4.3	45	1.6	256	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	10.6	53	7.8	48	2.7	69	13,105,000	4	808	47
1992	13.0	23	10.0	27	3.1	12	14,097,000	8	926	15
1993	15.5	19	12.0	21	3.5	14	15,117,000	7	945	2
1994	19.6	26	16.5	38	3.1	−12	18,059,000	19	1,088	15
1995	23.7	20	20.2	22	3.5	13	18,425,000	2	1,265	16
1996	25.8	9	22.0	9	3.8	10	18,716,000	2	1,380	9
1997	26.9	4	22.9	4	4.0	5	18,907,000	1	1,425	3
1998	28.0	4	23.8	4	4.2	4	19,104,000	1	1,473	3
1999	29.3	5	24.9	4	4.4	5	19,369,000	1	1,519	3
2000	30.5	4	25.6	3	4.8	10	19,638,000	1	1,569	3
2001	31.7	4	26.9	5	4.8	0	21,200,000	8	1,639	4
2002	33.1	4	28.0	4	5.1	5	21,400,000	1	1,687	3

Source: Joint Committee on Taxation: Provided by Senator Don Nickles, 10/20/95.

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	12,220	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	3,932	9,830	12,840	31,510
2000	40.00	4,058	10,140	13,240	32,499
2001	40.00	4,184	10,460	13,660	33,527
2002	40.00	4,320	10,800	14,100	34,613
Senate Reforms					
1996	36.00	3,208	8,910	11,630	26,731
1997	36.00	3,312	9,200	12,010	27,111
1998	36.00	3,424	9,510	12,420	27,521
1999	36.00	3,539	9,830	12,840	27,941
2000	36.00	3,650	10,140	13,240	28,341

EARNED INCOME TAX CREDIT—Continued

[Two or more children]

Year	Credit percent	Maximum credit	Min Income for max credit	Max Income for max credit	Zero credit income
2001	36.00	3,766	10,460	13,660	28,761
2002	36.00	3,888	10,800	14,100	29,201

Source: Joint Committee on Taxation: Provided by Senator Don Nickles, 10/20/95.

EARNED INCOME TAX CREDIT

Year	Credit percent	Maximum credit	Min income for max credit	Max income for max credit	Phaseout income
ONE CHILD					
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	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

EARNED INCOME TAX CREDIT—Continued

Year	Credit percent	Maximum credit	Min income for max credit	Max income for max credit	Phaseout income
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	2,380	7,000	12,840	27,734
2000	34.00	2,455	7,220	13,240	28,602
2001	34.00	2,533	7,450	13,660	29,511
2002	34.00	2,615	7,690	14,100	30,462
Senate Reforms					
1996	34.00	2,156	6,340	11,630	23,321
1997	34.00	2,227	6,550	12,010	23,611
1998	34.00	2,305	6,780	12,420	24,021
1999	34.00	2,380	7,000	12,840	24,441
2000	34.00	2,455	7,220	13,240	24,841
2001	34.00	2,533	7,450	13,660	25,261
2002	34.00	2,615	7,690	14,100	25,701
NO CHILDREN					
Current Law					
1976	n/a	n/a	n/a	n/a	n/a
1977	n/a	n/a	n/a	n/a	n/a
1978	n/a	n/a	n/a	n/a	n/a
1979	n/a	n/a	n/a	n/a	n/a
1980	n/a	n/a	n/a	n/a	n/a
1981	n/a	n/a	n/a	n/a	n/a
1982	n/a	n/a	n/a	n/a	n/a
1983	n/a	n/a	n/a	n/a	n/a
1984	n/a	n/a	n/a	n/a	n/a
1985	n/a	n/a	n/a	n/a	n/a
1986	n/a	n/a	n/a	n/a	n/a
1987	n/a	n/a	n/a	n/a	n/a
1988	n/a	n/a	n/a	n/a	n/a
1989	n/a	n/a	n/a	n/a	n/a
1990	n/a	n/a	n/a	n/a	n/a
1991	n/a	n/a	n/a	n/a	n/a
1992	n/a	n/a	n/a	n/a	n/a

EARNED INCOME TAX CREDIT —Continued

Year	Credit percent	Maximum credit	Min income for max credit	Max income for max credit	Phaseout income
1993	n/a	n/a	n/a	n/a	n/a
1994	7.65	306	4,000	5,000	9,000
1995	7.65	314	4,100	5,130	9,230
1996	7.65	324	4,230	5,290	9,520
1997	7.65	334	4,370	5,460	9,830
1998	7.65	346	4,520	5,650	10,170
1999	7.65	357	4,670	5,830	10,500
2000	7.65	369	4,820	6,020	10,840
2001	7.65	380	4,970	6,210	11,180
2002	7.65	392	5,130	6,410	11,540
Senate Reforms					
1996	0.00	0	n/a	n/a	n/a
1997	0.00	0	n/a	n/a	n/a
1998	0.00	0	n/a	n/a	n/a
1999	0.00	0	n/a	n/a	n/a
2000	0.00	0	n/a	n/a	n/a
2001	0.00	0	n/a	n/a	n/a
2002	0.00	0	n/a	n/a	n/a

Source: Joint Committee on Taxation: Provided by Senator Don Nickles, 10/20/95.

[From the U.S. Senate—Republican Policy Committee]

To: Budget and Tax L.A.'s.
From: J.T. Young.
Re: Earned Income Tax Credit.

Once again we bring to your attention a piece run by today's Washington Post that refutes the shrill political posturing of the White House.

(By James K. Glassman)

A PROGRAM GONE BONKERS

The road to a $5 trillion national debt is paved with good intentions.

Look at the Earned Income Tax Credit (EITC). Launched by Gerald Ford, lauded by Ronald Reagan, expanded by George Bush and Bill Clinton, it's based on welfare principles that even a Republican (or a professed New Democrat) can love. The only problem is that, like many other good ideas in Washington, it's gotten completely out of hand.

Currently, the EITC is the fastest-growing program in the federal budget. It will cost the Treasury $24 billion this year, up from less than $2 billion 10 years ago.

In their giant reconciliation bill—the final budget measure of the year—Republicans are trying to restrain this growth. Under the Senate version, EITC costs will rise to $32 billion in 2002. In the budget language of Washington, that's a cut. In any other language it's an increase—although not so large as projected under the current law, which has costs rising to $36 billion by 2002.

The EITC is a sort of negative income tax. If you fall into a certain earnings bracket, you don't pay the government; the government pays you.

The idea of the EITC is to put more money in the pockets of low-income working families. If you don't work, you don't qualify. Since the benefits are paid in cash and the rules are simple, the Internal Revenue Service can administer the EITC easily and cheaply.

Believers in the free market like the notion that the EITC doesn't force recipients to use funds for a particular purpose like other federal programs (housing, food stamps). Instead, it gives them money and lets them make their own choices.

The EITC is not only the fastest-growing entitlement program, it's the broadest. In 1986 some 7 million families were covered by the EITC, and the average-outlay by the government was $281. This year 18 million families are covered at an average of $1,265. In 1986 the maximum credit taxpayer could receive was $550; today, it's $3,111.

In Mississippi, a whopping 39 percent of families receive the EITC; in Texas, 26 percent; California, 22 percent. With this kind of penetration, the EITC follows a welfare tradition invented by Franklin Roosevelt: To keep a program alive, make sure money flows not just to the poor but to the middle class. That's been the key to success for Social Security, Medicare, student loans and farm subsidies.

The EITC was begun as a modest program to help offset the burden of payroll taxes on the poor and, through its unique structure, to encourage them to work more. But the philosophy soon became: ''Hey, if a little bit is good, then more is better,'' says Bruce Bartlett, an economist who served in the Bush Treasury Department.

Today, the EITC is enjoyed by families making as much as $26,672 a year, and that doesn't include outside income. Under the tax law that President Clinton promoted and signed two years ago, by 2002 families making $34,612 will qualify for EITC benefits. The Senate wants to scale that figure back to $30,200—which seems pretty sensible for a government that already owes its creditors $4.9 trillion.

At its core, the EITC is a massive income transfer scheme. New IRS figures show that in 1993 the top 5 percent of American earners paid 47 percent of the federal income taxes, up from 37 percent in 1981. Meanwhile, the bottom 50 percent of earners—thanks in large measure to the EITC—paid 5 percent of the taxes.

The EITC, in other words, has created a veritable tax holiday for about half the families in America.

Many would say that's fair. But there's another question raised by the EITC: Does it really encourage work? There's doubt.

For 1996, families with two or more children will earn credits of 40 percent of their income until they reach earnings of $8,910 annually. Then, they max out at a credit (in nearly all cases, a cash payment) of $3,564. So far, so good. Clearly, there's a big incentive to work, since a dollar paid on the job becomes $1.40 in the pocket (minus modest payroll taxes).

If you earn between $8,910 and $11,630, you still receive the maximum credit. Then the disincentive begins—you start losing 21 cents of credits for every additional dollar you earn. When your income reaches $28,533, your credits hit zero.

Again, this sounds fair. But the problem is that the EITC forces lower-income Americans to face marginal tax rates that are higher than those faced by the richest Americans.

As Bartlett wrote recently in a brief for the National Center for Policy Analysis: ''Families with incomes between $11,000 and $26,000 are being taxed at the rate of 60 percent on each additional dollar earned. . . . This total tax rate includes federal, state and local taxes plus the reduction in the EITC.''

And these high marginal taxes definitely discourage work. Economist Edgar Browning of Texas A&M reported in the National Tax journal that nearly half of all families receiving the EITC has less income than they would have had without the tax credit—because the credit enticed them to work less. And a University of Wisconsin study found that ''on balance the EITC reduces the total hours worked.''

Is there a solution to the EITC conundrum? One answer is to remove the phase-out of benefits: Simply give all taxpayers an extra 40 percent credit for the first $10,000 or so of income. But that would be hugely expensive. Another answer is to kill the EITC entirely. But that would be politically impossible.

The third course is to try to restrain a program gone bonkers. That's what the Republicans are doing. At the same time, however, they should admit that the EITC isn't quite so glorious as they once thought. Maybe luring people out of poverty is something that government just can't do.

Ms. MIKULSKI. Mr. President, I must oppose the reconciliation bill we consider today because it impacts on parents, students, and families in ways they cannot afford; that is why I support and cosponsor Senator KENNEDY's amendment to strike the student loan provisions in this bill that impose higher college costs on students and working families.

Mr. President, the Labor Committee's proposal to save $10.85 billion through changes in the Federal Student Loan Program is simply unacceptable. It strikes a blow at the Federal Government's role in providing an opportunity structure for our Nation's youth. It threatens the future economic opportunity for young people who are today's students and tomorrow's work force, and it rejects help to those who practice self-help.

The Labor Committee's reconciliation proposal is another strike at this Nation's opportunity structure. The Republicans want to levy on new tax on colleges and universities. The Republicans want colleges to pay a .85 percent tax on their total student loan volume. That is outrageous.

It does not make a difference whether that tax is .85 percent or 2 percent as originally proposed by committee Republicans. A tax is a tax. Colleges and universities will still have to pay a new tax to the Federal Government every year.

Mr. President, colleges and universities all across my State of Maryland are adamantly opposed to this new tax.

This new tax means that the University of Maryland in College Park will have to pay approximately $255,000 in taxes on its student loan volume each year. The University of Maryland in Baltimore will have to pay approximately $180,000.

Private independent colleges will be especially hard hit. These colleges do not get substantial State financial support. This results in higher student loan volume. So, Loyola College in Baltimore will have to pay approximately $95,000 to the Federal Government.

It means that Johns Hopkins University will have to pay about $204,000 and Western Maryland College will pay about $25,000 in taxes on student loans each year.

Where will colleges get this money? They may be forced to pass on this new tax burden to students in the form of increased tuition, reduction in scholarships, or elimination of student services or programs.

College tuition has already skyrocketed. Our undergraduate students borrow the maximum of $17,125 a year just to be able to afford a college education, to have access to increased opportunities and to achieve the American dream. But this reconciliation bill will leave some students out in the cold.

This is unacceptable. It is not only a tax on colleges, but a tax on opportunity. Students in this country are

told every day—do well, work hard, get a good education and you will be rewarded. But this kind of tax sends the wrong message to students trying to get ahead and trying to get ready for the future.

Mr. President, the Congress passed the Higher Education Act amendments in 1992 to bring help to those who practice self help. It was meant to be Federal help to middle class families who are drowning in debt and trying to send their children to college.

Yet, imposing a new tax is not only a hit on colleges and students, but also a hit on parents trying to help pay for their child's college education. This reconciliation bill increases the interest rate that parents will pay on loans and increases the overall cap on that interest.

Mr. President, promises made must be promises kept. By cutting student loans, we are cutting the promises we made to students, to parents and to colleges.

I believe in rewarding the good guys in our society who work hard and play by the rules. That means giving help to middle-class families where moms and dads struggle—maybe even working two jobs—to pay tuition to send their son or daughter to college.

Mr. President, these families are paying loans on top of loans. We cannot turn our backs on them now.

Our students need our support through Federal financial aid programs or through innovative initiatives like national service. But, we are doing away with those opportunities too.

National service gives students an alternate way to afford college, and at the same time, national service helps meet some of our community's most critical needs.

As an appropriator, I know firsthand how hard it is for the Government to come up with a balanced check book. But education must be our No. 1 priority. It is with me. It is for parents and students who balance their own check book every day and every semester. It should be a priority for this Congress.

Mr. President, college is no longer a luxury. It is a necessity just to stay competitive in the job market. It is a dream come true for parents of first generation college students to see their children walk across the stage. I believe we should give people the chance to pursue their dream through earned opportunities. To rob them of this opportunity is robbing America of its future.

I hope every member of the Senate will support Senator KENNEDY's amendment to strike the student loan provisions from this bill. It is an important investment to this Nation's students and it is important to America's economic future.

Mr. HOLLINGS. Mr. President, first I want to thank the Senator from Massachusetts for his great leadership on preserving student aid. He has moved quickly at every opportunity to stick up for students and parents, and his amendment today is sorely needed.

Mr. President, student aid has a proud history in this country. Much of my generation went to college on the GI bill. Then we passed the Higher Education Act of 1965, helping boost college attendance to today's levels. Of the 13 million students in college today, half of them receive Federal grants and loans under that Act.

Economically, budgetary, morally, this bipartisan policy of making student aid a priority has been right. Economic analysis shows that we have benefited 8 for 1 on our GI bill investment. Recent analysis shows that the investment in education is twice as productive as other workplace investments. And the lower income people in our society should not be shut out of an affordable college education. We need to make every effort every year to make sure that our higher education assistance policy builds our country rather than dividing it.

But Republicans have come this year with the proposition to students that everyone has to help balance the budget. Students should take some time in the library and study this bill. Everyone does not pay. Students—particularly low-income students—are asked to pay $10.8 billion more. But others—particularly those who can pay for college out of their pockets—get new tax breaks. These tax breaks and increased spending in other parts of the budget are much larger than the student loan cuts. In other words, this Congress could easily choose not to make students pay more, but the Republican leadership thinks it is more important to give more to certain constituencies before the next election, all the while crying balancing budget.

Let me be specific about how Congress could avoid cutting student aid in this bill:

First, we could lower the brand new tax break in this so-called budget-balancing bill from $245 billion to $235 billion.

Second, we could trim back the proposed defense increase of over $50 billion.

Third, we could refuse to provide a new tax break for corporations currently paying the minimum allowed, which is what is offered in this amendment.

The fact is, all of these alternatives—and many others—are unacceptable to the Republicans that wrote this budget because student aid was a much lower priority to them than new tax breaks.

Mr. President, these student aid provisions are shameful. If students and parents knew what was in this bill, they would think we had gone off the deep end. This is not the way we balance the budget, it is the way we pander for the next election and put the budget out of balance in the long run. I urge my colleagues to support the Kennedy amendment to maintain our investment in education.

Mr. AKAKA Mr. President, I rise to express my deep concern about cuts in education programs included in the reconciliation bill.

The bill before us cuts $10.8 billion from the student loan program. These proposals include a 1 percent fee hike in PLUS loans, elimination of the grace period for recent graduates, the imposition of a 20 percent cap on direct student loan volume, and an .85 percent school tax based on the institution's student loan volume. If you wanted to undermine deliberately higher education, it would be difficult to come up with a more destructive list of proposals. Plain and simple, these education cuts are irresponsible.

Mr. President, the 1 percent fee hike for PLUS loans is regressive and could add $5,000 to a family's indebtedness for a college education. This may not mean much, but to a family struggling to make it on $25,000 a year, it could deprive a student of a college education. Moreover, this measure discriminates against families who haven't achieved the dream of home ownership, and who cannot take out home equity loans to finance college.

Eliminating the grace period for recent graduates is similarly ill-conceived. This provision would saddle graduates with additional financial burden at the most critical time in their careers. It could force graduates to settle for lower paying, less desirable jobs immediately upon graduation rather than providing them a reasonable opportunity to secure higher paying employment that better matches their skills and desires.

The proposal to cap the direct loan program at 20 percent of the total student loan volume is misguided in three respects. First and foremost, it would discourage additional schools from participating in the program and reduce the opportunities for thousands of economically disadvantaged students who would not be able to qualify for guaranteed loans.

Second, the 20 percent cap will ultimately drain the Treasury of billions of dollars because reinsurance fees and other subsidies will be paid to banks, secondary markets, and guaranty agencies. Direct loans have been a money saver because they cut out the middleman, reduce administrative overhead, and increase accessibility. Only the banks and other financial institutions stand to profit from the changes in this bill.

Third, capping direct loans will effectively limit one of the most important side benefits of the program—providing competition to the banks. Without the direct loan program, the lending industry would be free to raise interest rates on their own student loan instruments, increasing borrowing costs to those who choose, or are forced to choose, private lending sources. This in turn is likely to lead to additional defaults, the costs of which will be borne by the taxpayer. I would be curious to learn how proponents of free enterprise explain this clearly anticompetitive initiative.

Mr. President, the last major GOP education initiative is the proposed 0.85

percent tax on schools. Like the other proposals, this is a regressive inititaive that will discourage schools from participating in the direct loan program, force them to pass on the costs to students through increased tuition, and require them to tap into their already dwindling student financial aid budgets. Again, as with the other initiatives, this provision will disproportionately impact students from low- and middle-income families. It is ironic that as Republicans trumpet a $245 billion package of tax cuts that largely favor wealthier Americans, they seek to impose an indirect tax on students and families who can least afford it.

Mr. President, these are some of the reasons why I oppose the education provisions contained in this measure. When added to the proposed wholesale reductions in discretionary education programs—from Head Start to Goals 2000, to campus-based aid—they constitute a plan to reduce access to quality education and harm our ability to compete in an increasingly sophisticated international marketplace.

Reducing investment in education, which is already inadequate, will inevitably limit economic growth and undermine the standard of living of middle-class Americans in the 21st century. And it will close the window of opportunity for the economically disadvantaged among us who are pursuing the American dream.

Mr. President, reducing our commitment to an educated, skilled work force in the name of deficit reduction is shortsighted and terribly misguided. As this country struggles to find its way in a global marketplace dominated by cheap foreign labor and high technology, withdrawing our investment in education amounts to economic suicide.

This budget proves that Republicans are more committed to protecting the interests of the haves than in accommodating the aspirations of the vast majority of Americans who want only to improve the quality of their lives through hard work and education. Again, I believe this is a pennywise, pound-foolish approach that is shortsighted, mean spirited, and will cost the taxpayer money in the long run.

If this budget is implemented, students of modest means may have to forgo a college education; others who are fortunate enough to achieve their baccalaureates may have to forgo their dreams of pursuing graduate study. And those students who leave college in the future will be saddled with huge debt burdens at a time when they are least likely to be able to afford payments.

The proposals contained in this measure, in concert with the proposed reductions in fiscal year 1996 education appropriations measure, will ensure that our future work force is less educated, less productive, and less well off. This in turn will reduce the Nation's tax base, placing further upward pressure on the deficit—exactly the opposite effect from the stated purpose of this budget plan.

This wholesale disinvestment in our most important resource, our young people, is not merely shortsighted, it is blind. Blind to the imperatives of the new global marketplace, blind to the effect that cuts in education will have on our ability to prosper in an increasingly complex world, and blind to the effect it will have on our deficit.

But competitiveness, economic viability, and individual opportunity will not be the only victims of the proposed cutbacks in education. Our sense of civil community, of history, of tolerance, the ability to conduct informed, rational discourse—these are also the potential victims of this harsh and ill-conceived budget plan.

For education is not just about making enough to feed the kids or to buy a new car or to own a home—it is also about preparing ourselves to carry out the responsibilities of citizenship in the world's oldest republic.

Mr. President, no sane nation embraces ignorance. Yet, this is what the proposed resolution would have us do. I therefore urge my colleagues to reject this war on knowledge by opposing the education proposals contained in this measure that threaten our future.

Mr. KENNEDY. How much time do we have?

The PRESIDING OFFICER. The Senator from Massachusetts has 14 minutes.

Mr. ABRAHAM. I am prepared to yield our time.

Mr. KENNEDY. I was just going to yield 4 minutes to the Senator from Washington, and then we go with your side.

Mr. ABRAHAM. Fine.

Mr. WELLSTONE. Will the Senator yield?

Could I ask the Senator from Michigan how much time will be yielded to the Senator from Idaho?

Mr. ABRAHAM. The remainder of our time.

Mr. WELLSTONE. OK. Thank you.

The PRESIDING OFFICER. The Senator from Washington is recognized for 4 minutes.

Mrs. MURRAY. Thank you, Mr. President.

I thank my colleague from Massachusetts for this amendment.

As I sit here and listen to this debate today, I cannot help but wonder how many of our colleagues depended upon financial aid to advance their education and build the foundation for their careers. This is a highly educated body. And judging from the vast array of degrees that are conferred upon my colleagues, I would have guessed that many were dependent upon Federal assistance to finish their schooling.

However, the proposal to eliminate $10.8 billion in student loans forces me to question whether any of my colleagues on the other side of the aisle ever relied on financial aid to get an education. I can tell you I would not be here today without Federal assistance that made my college education possible.

I will also tell you that working families will be the hardest hit by this gutting of our student loan program. These middle-income families often do not qualify for full scholarships and cannot afford to pay full tuition, particularly when $20,000 a year for tuition is today's norm in higher education. Why sacrifice our Nation's future by limiting educational opportunities for young people?

This bill could have targeted the student loan industry, but instead 63 percent of the bill's student loan cuts fall directly on students and their parents. Take for example the increased rates on PLUS loans that are taken out by parents. I can tell you as a parent of two children entering the post-secondary world, I am concerned that families across this land will find these new loans out of reach. This aid is particularly important to those families without enough equity in their homes to take out a tax-deductible home equity loan.

Mr. President, I am extremely concerned with the proposal to eliminate a small, but very important, element to those entering our work force. All of us realize the difficult challenges facing today's college graduate. The limited prospects of employment, coupled with financial independence, on top of an already mounting educational debt put many of our graduates today in fiscal hardship before they are ever able to contribute back to our society.

To help these individuals during this difficult time, we have provided a 6-month grace period on their loan once they finish school. This is not loan forgiveness. It does not lead to increased deficits or defaults. It simply provides a new college graduate a few months to find a job and begin the process of becoming a contributing member of our society.

Some say this is a minor provision, appreciated by few students. I will tell you, at the University of Washington, in Seattle alone, 12,000 students will feel the impact of this grace period. It means $2.4 million to those students.

Finally, Mr. President, let us discuss a program that is working. The direct loan program is producing enormous benefits for all. In a recent survey, 112 campuses using the direct lending program were polled, and 90 percent reported satisfaction with the program.

During this academic year more than 1,350 schools are making borrowing easier for their students through the direct loan program. It is praised by students and college presidents alike for its speed, efficiency, and lack of bureaucracy. Why are we capping this success at 20 percent of total loan volume when we know it works? Let us give direct lending a chance to work for our schools and its students.

Mr. President, these cuts in our student loan programs are not economic savings. They are only going to shortchange our country's future. When we

sacrifice our next work force for the sake of quick economic savings, we all mortgage our economic prosperity. The cuts in student loans are a direct impact to every single working family who wants to know that their child will be able to go on to college in this country that we are so proud of.

Mr. President, I yield back my time to the Senator from Massachusetts.

The PRESIDING OFFICER. Who yields time?

Mr. ABRAHAM. I yield the remainder of our time to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. I thank my colleague from Michigan for yielding.

Mr. President, I find that the debate that is currently going on on the floor interesting but not balanced. And I say that because, while we talk about our children and the great compassion that I think this Senate and this Congress has always demonstrated toward young people in need, there is another side to the story that must be told if we are to speak of balance.

There is no question that we want as many of our young people as well educated as they can possibly become. We should encourage that kind of an environment. Clearly, the student loan program that is embodied within this package today will continue to educate as many as are currently being educated with the flexibility of growth to include more. While it changes the parameters of the obligation, it would be grossly unfair for anybody to portray that we are stepping away from or stepping back from our commitment to disadvantaged young people today seeking higher education.

What is glaringly absent from the debate on the other side is the rest of the story. I will tell you that having an education, having a degree in an economy that does not create a job and hire you is the greatest of tragedies.

The budget that we are seeking to bring about, in promises kept to the American people, is a budget in balance, and there is not an economist in this country today that will disagree that a budget imbalance causes the economy of this country to be more productive, more job creating, having the ability to pay higher wages and to hire the master's degrees and the doctorate degrees that oftentimes today go wanting and in their search for a job cannot find themselves able to pay the student loan.

The future of our children, Mr. President, and our grandchildren does not depend on a student loan. It depends on the economy of this country and the vitality of that economy that produces the student loans that creates the jobs that offers the future and the opportunity.

Most economists agree today that our current debt structure creates a 2-percent drag on our economy, and that 2-percent drag costs us hundreds of thousands of high-paying jobs annually as we work to increasingly compete in a world marketplace.

I find it absolutely amazing that this President will argue a $200 billion deficit and a debt that heads toward $5 trillion and says that that is growth and that is opportunity and that is going to create a productive economy.

Let me tell you what that kind of $200 billion deficit does to the average child of today, the college student of tomorrow, the job seeker in the future.

The average child today will pay $5,000 additional taxes over their lifetime with that $200 billion deficit. The Clinton budget projects deficits of that range out through the year 2000, and that alone adds up to an additional tax burden of $40,000 in the lifetime of that child. Those are statistics from the National Taxpayers Union.

Mr. President, in my opinion, that is the future. This Senator is going to vote for a dynamic program of student aid, but he is not going to deny that student the same opportunity that that student's parents had in their lifetime: to seek a better life, to have a job, to be productive, to be creative. That is our reality, and that is what we promise the American people.

So I suggest to all of us today that this really is a debate about the child and the child's future and his or her opportunity to be productive, to have a rewarding experience in their life, because just like the security of Medicare and just like the security of Social Security, they are all bound inextricably to the productivity of an economy. Not debt, not layoffs, not a sluggish economy that is not able to get up to speed and to be competitive in a world marketplace.

I am absolutely amazed that we cannot strike that balance or that we have to struggle so hard to argue that a balanced budget makes sense. Somehow this deficit syndrome that the President has caught himself in and is unable to escape—while he argued yesterday, ''Look at the productivity, look what I have done,'' what he failed to say, ''In the outyears, I am going to have to ask the American people for another large tax increase, because while my tax increase of a year ago has forced the deficit down, the Government has not changed its spending habits. And every program that I offer in my budget,'' i.e., the President, ''I want more spending and more Government and more growth in the most nonproductive sector of our society.''

The American people last November said it very clearly. They said, ''Sorry, Mr. President, you're wrong; you've got to change and our Government has to change and we have to make sense of something, because we sense our vitality is slipping away, our ability to make a living is slipping away.''

I do not dispute what the other side is saying about the less ability of the American family to pay for their child's education, but have they ever stopped to ask why there is less ability, why can the family of today not provide as much for the child as the family of 20 or 30 years ago? There is an obvious reason. They cannot provide the lifestyle. The economy has been dragged down by a debt structure and a Government that consumes ever greater a proportion of the gross national product of our country in the most nonproductive of ways.

I do not dispute the need for Government, but I do dispute its size, I do dispute the debt, I do dispute the deficit, because economic common sense says, and most economists agree, that if this Government can live within its means, our economy will be a much more productive place, I say to my fellow Senators, and we all know what that means. That is opportunity, that is jobs, that is productivity, that is the average family being able to care for their children and having the pride to say to their children, ''You are going to have a better life; you are going to have greater opportunity; we want you to have that college degree, and we can assist you in doing so because our lives are better lives.''

That is the issue at hand. It is the debt. It is the question of deficit. It is the drag on the economy and the nonproductive way that we have found ourselves increasingly caught up in, unable to provide those kinds of opportunities.

I applaud what this side is attempting to do in response to the American people and future generations to come.

You see, Mr. President, I have parents—like we all do—who grew up in the Depression days, and they tell me about the phenomenal difficulties and the attitudes that for a generation that experience provoked on the American scene; that somehow they thought less of themselves and less of their ability to produce because of the phenomenal negative economic experience that that generation went through.

Can we assume that that could never occur again? Well, we should not, and that is what Republicans and Americans are doing today in their effort to produce a balanced budget to control the growth of Government and say to future generations, ''We heard you and we provided an economy that will give you the opportunity you seek.''

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 2 minutes to the Senator from Massachusetts.

Mr. KERRY. Mr. President, I am delighted to join my colleague from Massachusetts in supporting this amendment. As I listen to some of the rhetoric on the floor, I really feel like this is Alice in Wonderland out here. This is not a debate about whether we are going to reduce the deficit or balance the budget. The Republicans keep coming back and saying, ''By God, the only way we are going to deal with the deficit and the budget is to do these things.''

The choice here is how we are going to balance the budget. They want to spend more money on B–2 bombers.

They want to continue the Market Promotion Program. They want to take a $5 million asset on a trust fund and give people a $1.7 million tax break. It is a question of how we are doing it.

What we all understand is, we should not be doing it at the expense of students and at the expense of the colleges and universities that have entered into the Direct Loan Program so that you can put more money back into the pockets of the lending institutions. It just does not make sense.

The Senator from Idaho stands up and says, ''We are going to take a lesser amount of money, but we are still going to be able to give you the same amount of education.'' I wish he had been there yesterday when the chancellor of the University of Massachusetts and the folks from Lowell, MA, and New Bedford and Fall River, which have 15 percent unemployment, working class people came in and said to me, ''Senator, if these cuts go through, our kids are going to drop out of school.'' And they are going to drop out of school because they are going to have $5,000 of additional costs in interest on the PLUS loan that is going to be $700 to $2,500 of debt because they eliminate the interest subsidy on the 6-month grace period. They are going to have a transfer tax on colleges and universities participating in the student loan program, and they are going to end, for half the universities, direct participation.

Mr. President, those kids cannot go to school paying that additional money. But they are giving the money to people earning more than $300,000, and to all of these other interests. They are continuing additional defense spending. The question is how we will balance the budget. It should not be done on the backs of the future generation in education.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, has leader time been reserved?

The PRESIDING OFFICER. Yes.

Mr. DOLE. I ask unanimous consent that I may use a portion of that leader time without it being charged against either side.

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

REPORTS OF WAR CRIMES

Mr. DOLE. Mr. President, today's Washington Post reveals shocking news about what happened to the men of Srebrenica after this so-called safe area fell to Bosnian Serb forces in July. Twelve thousand men from this U.N.-designated safe area tired to flee to Bosnian Government-held territory and more than half were brutally butchered by forces under the command of Gen. Ratko Mladic.

Yesterday's Christian Science Monitor reported that Serb officers—from Serbia—actively participated in the massacre of Moslems from Srebrenica.

No doubt about it, General Mladic and his forces are directly responsible for these war crimes. But, these reports beg the question: What was the role of the Yugoslav Army in this attack on Srebrenica and the subsequent massacre of Moslems. And more importantly, what was Slobodan Milosevic's role in these savage war crimes?

Reportedly Mladic is often in Belgrade—where he coordinates with senior Serb officers, including the Chief of Staff of the Yugoslav Army. The Yugoslav Army has continued to actively assist Bosnian Serb forces. And Bosnian Serb and Serb air defenses are integrated.

The bottom line is that the Congress—and the American people—need to hear what the administration knows about the relationship between Bosnian Serb forces and the Yugoslav Army, and the relationship between Mladic and Milosevic. Have we been told everything the administration knows about Milosevic's possible culpability in this hideous war crime?

Frankly, I am highly skeptical that the buck stops at General Mladic. In any event, these questions need to be answered by the administration now.

Next week, the proximity talks will begin in Dayton and Serbian President Slobodan Milosevic will attend. We need to know whether we are rolling out the red carpet for a war criminal. We need to know who the administration is dealing with—the butcher of the Balkans or the peacemaker of the Balkans?

Furthermore, the President should publicly commit his administration to ensuring that these war crimes will not be swept under the rug as part of the price of peace settlement. If Milosevic is responsible for war crimes, he should be held accountable—even if this complicates the peace negotiations.

Mr. President, if the administration fails to effectively address the matter of war crimes in the former Yugoslavia, the Congress will. The fiscal year 1996 foreign operations bill includes an amendment I offered on the Senate floor which would prohibit bilateral assistance to any country that provides sanctuary to individuals indicted the U.N. War Crimes Tribunal on Yugoslavia. It also instructs U.S. representatives in multilateral institutions to vote against aid to any country that provides sanctuary to indicted war criminals.

The United States is the leader of the free world—this requires not only political, but moral leadership. We cannot repeat the United Nations's grievous error of looking the other way when confronted with enormous crimes against humanity.

Mr. President, I reserve the remainder of my leader time.

Mr. WELLSTONE. Mr. President, I ask unanimous consent to have 30 seconds to thank the majority leader for his statement.

Mr. DOLE. I yield 30 seconds to the Senator from Minnesota.

Mr. WELLSTONE. I thank the majority leader for his statement made on these war crimes, these atrocities. I do not believe that those who committed these crimes should be able to get away with it. I think it would be a terrible mistake for the world.

I appreciate the power of what the majority leader says. I very much appreciate his focus on the war crimes.

THE BALANCED BUDGET RECONCILIATION ACT OF 1995

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 3 minutes to the Senator from Minnesota.

Mr. WELLSTONE. When I heard what my colleague from Idaho said, I could not be in more profound disagreement. The debate is not on a balanced budget, deficit reduction; it is on a Minnesota standard of fairness. This agenda here is not connected to the reality of the lives of people that we represent back in our States: ''Senator, I am a student at Moorhead State, I work three minimum-wage jobs. The college years are not the best years of my life.''

''Senator, I am a nontraditional student. I am older than you and I lost my job; I am going back to school, and I do not have much money. If you cut my financial aid, I will not be able to get back on my own two feet.''

''Senator, I am a single mother, and I am going back to school, and I have two small children. If you cut my financial aid, I will not be able to move from welfare to workfare.''

I hear it in community colleges; I hear it in public universities; I hear it in private schools. I asked my colleagues, I say to my colleague from Massachusetts, during markup, ''Have you held town meetings in the campuses? Do you know what the consequences of what you are doing here in the Senate will be for students in this country?''

Mr. President, this is outrageous.

I ask unanimous consent to have printed in the RECORD the text of a petition from 515 students at Inver Hills Community College and Lakewood Community College.

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

PETITION FOR SAVING OUR STUDENT LOAN PROGRAM

Students are concerned about federal financial aid cuts Congress proposes to higher education. If these cuts are made, they will affect my ability to go to college and find a living wage job. Please help me continue to have an education that is affordable and accessible. The economic security of our nation depends upon a well-educated work force. America's future rests in your hands.

Mr. WELLSTONE. Mr. President, I simply say it loud and clear, and I will shout it from the mountaintop. I only

have probably 30 seconds left. If you want to do deficit reduction, cut the subsidies for the pharmaceutical companies, cut the subsidies for the oil companies, cut the subsidies for the insurance companies, cut the subsidies for the tobacco companies; do not spend more money on stealth bombers and Trident and all of the rest, and do not have tax cuts that disproportionately go to the wealthiest people.

Do not do deficit reduction by denying all too many young people—and not-so-young people because many of our students are older—their opportunity for a higher education. I am proud to be an original cosponsor of the Kennedy amendment. It speaks to basic economic justice. I hope 100 Senators vote for it.

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

The PRESIDING OFFICER. The Senator from Massachusetts has 5 minutes 12 seconds.

Mr. KENNEDY. I yield myself 4 minutes, Mr. President.

Mr. President, I want to repeat what I mentioned at the outset, that our amendment is budget neutral. We have been asked about that.

Mr. President, in the final few moments, I have been amazed by the silence of our Republican friends in defending an indefensible policy. Silence in defending a policy that will put a stranglehold on the sons and daughters of working families trying to achieve a better education. The most that was said in defense of this indefensible policy, Mr. President, by one Member of the Republicans, is that this proposal is ''changing the parameters of the obligation.'' Let me tell every working family in my State and across the country the truth. This Republican proposal is going to mean more dollars out of your pocket and more obligations on the students of this country.

In the final breath, Mr. President, there is an extraordinary reliance by our Republican friends on raising the revenues. In their proposal, they put a tax—described by the majority of the Republicans as a ''fee''—on every educational institution in this country. They would mandate a tax on every educational institution. The cruelest part of all is that the amount of that tax increases as they provide more and more assistance to the neediest students that go to those schools. The institutional tax goes in the opposite direction of every educational policy that we have made in the last 30 years. It requires more and more payment by the sons and daughters of working families and the neediest families. That is just an extraordinary admission, Mr. President, of a bankrupt effort by our Republican friends by taxing these working families.

In the Republican proposal, working families are going to have to pay more out of their hard-earned income because of the tax increase in the EITC. Then, the same working families are going to pay more out of scarce resources for the copays and the deductibles we will have to have.

Because of reductions in Medicaid, these working families are going to pay even more to provide health care coverage for their children.

For what reason? To give a tax break for the wealthiest individuals and the wealthiest corporations. That is what this is all about. They are taking the money out of the pockets of the neediest families in this country and transferring it to the wealthiest individuals. That is the parameter of the obligation that our Republican friends refer to when they try to justify their position.

Mr. President, this bill and these cuts are too harsh and too extreme. But, in addition to their cold heart, Republicans are now getting cold feet. The verdict of the American people is coming in.

Republicans are being found guilty beyond a reasonable doubt of hurting senior citizens on Medicare; guilty of hurting helpless elderly patients in nursing homes; guilty of punishing innocent children on welfare; guilty of closing college doors to the sons and daughters of working families; guilty of pandering to polluters and endangering the environment; guilty of massive giveaways to powerful special interest groups; guilty of taxing low-income workers; guilty of taxing hard-pressed college students to give tax breaks to millionaires.

Whatever became of the anti tax Republicans? I say shame, shame on the Republican Party for using their majority power to hurt the vast majority of Americans. This bill will be dead on arrival at the White House, and we ought to bury it right here in the U.S. Senate.

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

Mr. KENNEDY. I hope we have an opportunity to vote on this amendment soon.

What is the Chair's understanding about when we will be able to have a disposition of this amendment?

Mr. EXON. Mr. President, if I could answer briefly the Senator's question. It is a good one.

We have been trying to work on this since yesterday afternoon. It appears we are very close to agreement that allows us to start voting up or down on these amendments sometime early this afternoon and very late into the evening.

Mr. KENNEDY. Would the Senator yield half a minute on the bill?

Mr. EXON. I yield.

Mr. KENNEDY. Mr. President, I have heard that my Republican colleagues are trying to doctor up some different proposal on student loan cuts. We have had months to change the proposal. I hope we will support this amendment that represents the best judgment of parents, educators, and working families.

Mr. EXON. Mr. President, I thank the Senator from Massachusetts for his excellent presentation, and I agree with his remarks. I agree with his conclusion. I hope we can move in an expeditious fashion.

I yield 8 minutes off the bill to my colleague from North Dakota.

Mr. DORGAN. Mr. President, I have been puzzled here for nearly a day and a half because we have some very important decisions to make in the U.S. Senate, one of which deals with Medicare, and we are not voting on them.

Reconciliation is a process that provides us 20 hours. We offered an amendment that does not take great skill to read. It does not take many staff people to read it. It is very simple.

It says, ''Let's reduce this tax cut for the wealthy and use the savings to reduce the cut on Medicare for the elderly.'' That is a very simple proposition.

It has been almost 30 hours since it was offered yesterday on the floor of the Senate, and no vote. Why no vote? Is it hard to understand? Are people still reviewing this? No, that is not why. What we have is a stall.

I understand we may be getting close to an agreement, and I hope we are, because if we are not, we are going to start reading this legislation—maybe two or three times. It is 1,949 pages, given us Tuesday night to come to the floor Wednesday morning.

Most people here do not have the foggiest notion of what is in it. Most of us have some suspicion about what is in it. Most of us believe that this, handed to the wealthier families in America, will provoke significant smiles because they will find some awfully good news in here for their families. Drive a Mercedes Benz, make half a million a year, there is awfully good news in here for you.

If you are an elderly person, dependent on Medicare or a poor person on Medicaid or a middle-income family trying to send your kids to school, or a poor mother who has a child in Head Start, the news here is pretty grim. It says we cannot afford you. It says you better tighten your belt because this is coming your way, and this is not good news for you at all.

I think some of the pieces of the puzzle are starting to come into focus about who is fighting for whom. Whose side are you on?

Here are a couple pieces of that puzzle. This was in the paper yesterday. One of the new Republicans over in the House of Representatives says ''the Democrats once again have it all wrong when they claim the GOP's proposed $500 tax credit for families earning up to $200,000 is a tax cut for the rich.'' He says those folks are lower middle class.

Heineman, former Raleigh Police Chief, told the Raleigh News and Observer that his salary of $133,000 plus $50,000 a year in police pensions ''does not make me rich. It does not make me middle class. In my opinion that makes me lower middle class.''

This new Republican, this fellow that has new ideas and came with a notion of change says, ''When I see someone who is making anywhere from $300,000

to $750,000 a year, that's middle class.'' He said, ''When I see anyone above that, that's upper middle class.'' Oh, really? These are the new ideas? Middle class at $750,000 a year? Now I can understand why they tell us their tax cut is aimed at the middle class. Now it is clear to me. I understand how these pieces to the puzzle start to fit.

Another big piece—in fact, it is the centerpiece for this puzzle in this morning's newspaper—the Speaker of the House, speaking candidly to Blue Cross Blue Shield, an insurance company, says this in talking about Medicare:

> Now let me talk about Medicare . . . we don't get rid of it in round one because we don't think that would be politically smart.

Let me say that again. The Speaker of the House says, and these are people who say, ''We love Medicare; we want to save Medicare.''

> We don't get rid of it in round one because we don't think that would be politically smart and we don't think that's the right way to go through a transition. But we believe it's going to wither on the vine because we think people are going to voluntarily leave it.

Now, put these pieces into the puzzle and see if you do not start getting the message. These are people who are going to save Medicare? No, I do not think so.

Round one. They do not get rid of it in round one. But guess what? This is a 10 rounder, and by the end of this match they plan on getting rid of Medicare. This is all about the middle class—yes, their middle class—somebody making $750,000 a year.

I said, good news and bad news around here. I was watching Star Wars the other night with my children. I have not seen that for a long time. Does anyone remember the characters in Star Wars, R2–D2 and C3–PO? I was thinking, if children in this society had names with numbers maybe they would do better; right?

Let me give some numbers that do well. I said that a lot of folks do not do well in this. A lot of kids do not do well. Fifty-five thousand kids, all of whom have names, will no longer be in Head Start because the majority cannot afford them in the Head Start program. A kid by the name of Tim or Martha or Tom, they get bad news, no Head Start program.

But if you had an initial like a B–2 or an F–15 or a UH–60 Blackhawk—go down this list. I do not have time. But this is a list, all of which represent spending add-ons; in other words, money that the Defense Department did not ask for, for helicopters, amphibious ships, fighters, bombers, star wars, and on and on and on that the Defense Department said they did not want, they did not need, and they did not order.

Guess what? The conservatives say, ''We insist you buy it because we got the money to pay for it.'' And then they bring 2,000 pages out here to the floor and say, ''We are sorry. We are broke. You are poor? You are young? Out of luck.''

So we say to them on Medicare, on our first amendment, offered nearly 30 hours ago, how about establishing priorities here? How about at least forgetting the tax cut notion you got for the wealthiest Americans and using some of that money to provide Medicare for the elderly? Do you know what, 30 hours later we cannot get a vote. Why can we not get a vote? Is it because they cannot understand the amendment? No. It is because they are stalling. They do not want to vote on the amendment.

One way or another, somehow we are going to vote on this amendment. We might stand here for 6 days, but we are going to vote on this amendment, and we are going to vote on the education amendment, and we are going to vote on the next amendment which is fiscal responsibility, which says do not give a tax cut until we have a balanced budget.

I am a little disappointed about what has been going on the last 30 hours. I can understand a shuffle when I see it. I can understand a stall when I see it. But nobody ought to claim to us they do not understand this issue. After 30 hours you would think everybody understands it well enough to have a vote.

So, it is 10 minutes to 1. How about a vote at 1 o'clock? Why do you not give the elderly in this country an opportunity? Express yourselves and give us an opportunity to express ourselves about tax cuts for the rich and Medicare cuts for the rest? Let us decide if we are going to have a vote soon.

If we are near an agreement, I say fine. I want us to have an agreement and get through this. But I say, at the end stage of this process, that I happen to know and all of you in this room know what is really at work. We have a Medicare amendment on the floor. The Speaker of the House gives a speech to Blue Cross/Blue Shield. He says he wants to save Medicare. And here is what he says in his speech. ''We don't get rid of it in round one because we don't think that would be politically smart.''

We understand what that means about round two. That is why this is important. That is why there is some passion in this debate, about a lot of folks who have reached their senior status in life and fear they are going to get sick and they are not going to have the money to deal with that illness. This is important.

Mr. President, I ask for 1 additional minute.

Mr. EXON. I am sorry. Another 30 seconds. I am trying to conserve time on this side.

Mr. DORGAN. I yield the floor to the Senator from Nebraska.

Mr. EXON. I will yield 30 seconds to the Senator from Maryland.

Mr. SARBANES. Mr. President, I listened very carefully to the very distinguished Senator from North Dakota. What is the date of that speech the Speaker made when he said that this is only round one to get rid of Medicare?

Mr. DORGAN. The speech apparently was given the other night, October 24.

Mr. SARBANES. On the same day, October 24, Senator DOLE made a speech. Listen to this. ''I was there, fighting the fight, voting against Medicare—1 of 12—because we knew it wouldn't work in 1965.''

So you have the Republican leader in the Senate and the Republican leader in the House, both of whom have been trying to portray themselves as helping Medicare, now bragging about the fact that they are against Medicare or that this is only the first round in getting rid of it.

The PRESIDING OFFICER. The Chair will advise the Senator 30 seconds has expired.

The Senator from Nebraska.

Mr. EXON. Mr. President, as I understand it we are now prepared to go to the next item that will be offered by the Senator from Arkansas with 30 minutes equally divided; is that correct?

Mr. ABRAHAM. Yes. We are prepared to do that.

Mr. EXON. So I hope the Chair could recognize the Senator from Arkansas, following 1½ minutes that I would like to yield at this time to the Senator from Vermont.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from Vermont.

Mr. LEAHY. Mr. President, I have repeatedly said on the Senate floor that balancing the Federal budget is so important we need to set our partisan differences aside.

Unfortunately, balancing the budget was the most serious problem facing our country—until today.

The American people are fed up with Washington—and how can you blame them.

The single working mother who is holding two jobs to take care of her children should expect nothing less than having the Federal Government pay its own bills.

Vermonters must balance their checkbooks each month, why should the Government that they send their taxes to not be held to the same accountability.

Mr. President, Republicans laud this budget reconciliation bill that we are debating today as the solution to the deficit problem.

Well, this bill may balance the budget but the wake it leaves behind threatens to irreparably divide our country. This bill is a cruel prank on hard working Americans who have asked Congress to get our budget in order.

The Republican leadership has answered the call to balance the budget with a plan that radically redistributes the wealth of our country.

Playing on the desires of hard working Americans, the Republican leadership has seized the opportunity to protect the wealthiest in our country.

This plan balances the budget on the backs of the people who are working the longest hours, in the lowest paying jobs.

Ironically, as these Americans have shouted out the loudest about getting our fiscal books in order, they will be the ones who feel the pain the most.

Under the guise of saving Americans from the burden of debt, the Republican leadership has devastated programs that help hard working men and women realize the American dream of economic opportunity.

We are told that in order to save programs, we must first kill them so that 7 years from now they will emerge solvent and robust.

It is a leap of faith that I cannot make, much to my embarrassment, because my distinguished colleagues in the majority have been telling us what a bold and courageous moment in time that they are seizing.

They are the self appointed saviors out to rescue us from the trillions of dollars of debt accrued during the Reagan-Bush administrations. They never mention that latter part—no doubt an oversight—and in the press of time, it is perfectly understandable why the subject never arises.

A case in point is education. This bill makes short-sighted cuts in education. It cuts student loan programs by $10 billion over the next 7 years.

Students will be hit with 70 percent of these cuts—increasing the costs to the 20,000 Vermonters receiving higher education and their families by at least $5,800 over the life of a student loan.

Congress should be working to make education more affordable—not less.

These additional financial burdens will discourage many students from continuing their education after high school.

The Contract With America has sealed the fate of the next generation of Americans. They may never have the chance of post high school training or a college education—the key to a better paying job.

Mr. President, the list of programs that the Republican leadership are slashing under the thin guise of reform is long.

This bill is a back door version of the New Federalism, the short-lived brainchild that was the predecessor of the Contract With America. Congress piles up the rhetoric while dumping the tough decisions on the States.

Governors are increasingly wary of this, because the cost for maintaining any of these programs will rest squarely on the local taxpayers.

We know that Medicaid is a life-line to provide essential health care to low-income pregnant women, children, the disabled, and the elderly.

It is also the safety net that rescues middle-class families when a factory closes down and the jobs that are available do not provide health insurance.

It spares middle-class families from choosing between nursing home care for a parent or financing the college education of a son or daughter.

I think we all agree that the Medicaid reform proposal before us turns the program over to the States, at greatly reduced funding levels.

Despite all the disclaimers from its supporters, I remain unconvinced that it is anything more than a recurrence of policies that once made poor farms and orphanages the sanctuaries for low-income children and families in America.

I agree that States should have more flexibility, but not at the cost of our national responsibility. Our States will find themselves hundreds of millions of dollars short of funds to provide necessary health care over the next 7 years.

Vermont already has flexibility through the Federal waiver process.

Vermont's plan continues the Federal/State partnership nature of Medicaid and enables Vermont to cover 15,000 more of the State's growing number of uninsured.

This bill will nullify Vermont's initiatives to administer the program more economically.

The budgetary pressure on States to make cuts in eligibility and benefits will be very strong. On average, States will lose 30 percent of their Federal Medicaid payments by the year 2002.

There is no provision in this bill that would provide Vermont, or any State, with additional resources in times of economic downturn or recession when the Medicaid rolls have historically increased.

Vermont will lose 10 percent on average over the next 7 years and cuts are backloaded so that Vermont will lose 27 percent in the year 2002.

This cut is estimated to reduce Federal Medicaid payments to Vermont by $205 million over the next 7 years.

If the sharp reductions in Federal Medicaid funding cannot be offset by managed care savings or cuts in payments to providers, States will have to cut benefits or severely limit the number of people eligible unless they are willing to pay a much larger share of the cost of the program with State funds.

Competition among States may contribute to the pressure to restrict eligibility.

Without Federal standards, many predict a race to the bottom where no State wants to be seen as providing broader coverage or more generous benefits than its neighbors.

While there was much talk about this bill partially retaining an entitlement for low-income pregnant women, children, and the disabled, the truth is that the bill fully follows through on the Contract With America proposal to provide no assurance to any low-income American that they will get the health care they need.

This fact was certified by the Congressional Budget Office earlier this week.

The plan also repeals requirements that now protect nursing home residents from being restrained, drugged, or forced to live with substandard care in disreputable homes.

It replaces these safeguards with 50 separate State regulations with no standard minimum requirements.

I have been pleading for Congress and the President to join in bipartisan negotiations on balancing the budget without jeopardizing the success of our health programs.

The PRESIDING OFFICER. The Senator from Arkansas.

MOTION TO COMMIT

Mr. BUMPERS. Mr. President, I send a motion 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 Arkansas [Mr. BUMPERS] moves to commit the bill S. 1357 to the Committee on Finance.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading be dispensed with.

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

The motion is as follows:

MOTION TO COMMIT WITH INSTRUCTIONS

Mr. President, I move to commit the bill S. 1357 to the Committee on Finance with instructions to report the bill back to the Senate within 3 days (not to include any day the Senate is not in session) making changes in legislation within that Committee's jurisdiction to delay the effectiveness of any revenue reductions until the first fiscal year in which outlays no longer exceed revenues.

Mr. BUMPERS. Mr. President, this is very simple and straightforward. The Members of this body should vote for this on a purely intellectual basis, without regard for partisanship. That is hard for me to say, and I know it is hard for people around here to respond to that kind of request. But it simply says: Do not cut taxes until you balance the budget.

I can remember not too many months ago when that idea had great credence in this body, on both sides of the aisle. I had even hoped at one time that the chairman of the Budget Committee who crafted this whole thing, Senator DOMENICI, would join me, today, with this amendment saying we are not going to cut taxes until we balance the budget. Here is what Senator DOMENICI said on May 29, this year, just a few months ago.

''We are working through some very, very tough terrain,'' he said, acknowledging that most battles lie ahead. ''But I am convinced that most people share our view that we must balance the budget first before we cut taxes.''

Here is a chart for anybody who chooses to look at this thing economically and sensibly. Here it is. You cut taxes in accordance with $245 billion, the figure that is bandied about here, and if you cut taxes by $245 billion over the next 7 years you add $293 billion to the national debt and our children and grandchildren will pay interest on that $293 billion as far as you can see.

I do not want to mix Social Security in this, but when you add this $300 billion, also bear in mind there are about

$656 or $660 billion in Social Security surpluses that are going to be used. To say we are going to have a balanced budget when we are using Social Security surpluses, when we are $78 billion short even by the Republicans' own numbers, it is a scam to lead the American people to believe that we are going to have a balanced budget. If we never have another deficit after 2002, our grandchildren and great-grandchildren are going to pay interest on this tax cut.

You know, the reconciliation bill provides $5,600 per year—listen to this—$5,600 per year in tax cuts for the wealthiest 1 percent of the people in this country, and the bottom 50 percent wind up with less money than they had before this reconciliation bill passes.

What does that say about the values of the U.S. Congress, about their attitude—not toward people with stocks who get dividends and interest, but about working people who sweat and toil every day to keep this Nation going, who get nothing out of this except increases, lowered standard of living?

Do you know something else? This bill stands squarely on the shoulders of 50 brave Democrats who, in August 1993, passed a reconciliation bill. I want you to think about this. If it were not for 50 brave Senators who stood on their hind feet and voted to raise taxes on the wealthy and to cut spending accordingly, the Republicans would be faced with raising another $1.081 trillion to balance the budget.

The senior Senator from Texas, a candidate for the Presidency, said we want all of those people in the back of the wagon to get out and help the rest of us pull. They were. Every single Republican in the Senate was in the back of the wagon that day when a lot of people lost their jobs a year and a half later for doing something so sensible. And here they are still in the back of the wagon taking advantage of $1.8 trillion that the Democrats provided, the most courageous, sensible thing that the President of the United States has proposed since he has been President.

Mr. EXON. Will the Senator yield for a second for a unanimous-consent request?

Mr. BUMPERS. I am happy to yield.

Mr. EXON. I ask unanimous consent that the unanimous-consent request not be charged to either side. In order to try to accommodate as many people as possible we are trying to shrink down this time.

I ask unanimous consent that, rather than one-half hour of time on this amendment, it be reduced by 5 minutes each to 25 minutes per side.

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

Mr. EXON. I thank my friend and say, to accommodate a lot of people, we have subtracted 5 minutes.

Mr. BUMPERS. Mr. President, our friends on the other side of the aisle have the best of both worlds. They can criticize and carp about that bill in 1993, and yet they have never tried to undo one penny of it; did not undo the gas tax, did not undo the 36-percent tax rate increase, have not done anything about the surcharge, and they get the benefit of over $1 trillion in balancing the budget because 50 Senators stood up—and 2 of them are not with us today because they did; and about 17 Members of the House are not with us today because they did.

This tax cut is the height of fiscal irresponsibility. That is the reason we call it the fiscal responsibility amendment, to do away with the tax cut until we balance the budget. We have the rest of our lives to cut taxes. Our first chore is to keep faith with the people of this country.

If you eliminate the tax cut, you do not balance the budget in the year 2002 even by the Republican figures. You can do it in 2001. That would be shocking.

But the most important thing I want to say, Mr. President, is do not cut taxes when we are running this kind of a deficit. Balance the budget, and then talk about taxes. When you are talking about tax cuts, talk for a change about working people and real middle-class Americans.

Mr. President, I yield the floor. Does anyone wish time?

I yield to the distinguished Senator from Michigan 5 minutes.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I thank my friend from Arkansas.

This tax package which is contained in the massive budget reconciliation bill is ill timed. It is inequitable. It provides the $224 billion tax break which, when fully phased in, would go disproportionally to the wealthiest among us. Indeed, more than half of those tax breaks would go to the wealthiest 14 percent of Americans, and we are talking about the fully phased in tax package. In that tax package, while the upper 14 percent get over 50 percent of the tax reductions, 14 million Americans of modest means would actually get a tax increase.

This maldistribution is reason enough to reject this tax package. But it becomes all the more unacceptable when one considers the extreme lengths to which the majority has gone to pay for these large tax breaks. Senior citizens are hit hard, students are hit hard, and working people are hit hard. But, above and beyond those flaws, there is the simple fact that we in this tax package would be providing tax cuts before assuring the reality of the deficit reduction that is projected. In other words, under this bill we would be spending the money before it is in the bank.

We have seen this before. In 1981, President Reagan introduced the Economic Recovery Tax Act which had large tax cuts, and also had projections, aspirations, hopes, and plans that the budget would be balanced by 1984. The tax cuts were not made dependent upon those projections taking place. If they had been, we would have been a trillion dollars better off in those years. But it seems to me that history is so recent that we ought to take its lessons and say to ourselves that we have to get deficit reduction under our belts before we enact tax cuts. This time let us make sure that projections of deficit reductions turn out to be true before we do the easier part.

On October 18, the Congressional Budget Office Director, June O'Neill, wrote the chairman of the Senate Budget Committee to provide the critical certification which the budget resolution calls for. The claims of a balanced budget are based on that certification, and the tax cut is based on an argument that we are reaching a balanced budget by 2002, which in turn is based on that certification. But when you read the certification, it is a bunch of hedges.

The Congressional Budget Office letter says, ''Based on estimates using economic and technical assumptions underlying the budget resolution, assuming the level of discretionary spending specified in that resolution, the Congressional Budget Office projects . . .''—and later on the letter says—''the Congressional Budget Office projects that the resulting reductions in interest payments will be $50 billion in the year 2002 and $170 billion over the 1996–2002 period.'' Then the Congressional Budget Office says, ''Those projections were based on a hypothetical deficit reduction path.'' It is based on those hypothetical estimates, projections, that the balanced budget claim is made for the year 2002. But even more significant, for the purpose of this amendment which is pending, it is based on those hypothetical paths, projections, and estimates that the tax cut is being defended.

This letter does not certify much except that the Congressional Budget Office has a long list of wiggle words which are available to us. And it is the foundation; it is that certification again which is the foundation for the assertion that the budget is going to be in balance in the year 2002. And you cannot help that because you have to have projections and estimates. But what we can avoid doing is providing a tax cut before we know in fact that the budget is going to be balanced.

So what this amendment says is hold off the tax cuts until we balance the budget. In fact, let us put the money in the bank before we spend it.

And, let's not be fooled by the happy talk about reaching a balanced budget. It is not balanced by any commonsense or legal definition. We know already, as Congressional Budge Office Director June O'Neill's letter to Senator CONRAD acknowledges, this plan falls short of balancing the budget by $105 billion in the year 2002. This is because the Republican majority's budget uses

the surplus in the Social Security Trust Fund to mask the real Federal deficit.

The law, section 13301 of the Congressional Budget Act, states:

[T]he receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of:

(1) the budget of the United States Government as submitted by the President,

(2) the congressional budget, or

(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

And, the law further states:

The concurrent resolution shall not include the outlay and revenue totals of the old age, survivors, and disability insurance program established under Title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.

We're not only spending the dollars before they are in the bank, we are spending them earlier and faster than we are even projected to have them to spend.

Nearly half of the savings in this budget are projected to come in 2001 and 2002, while the tax breaks are set in law now. In fact, the budget resolution assumes $440 billion in discretionary spending cuts over 7 years. Only $18 billion of that would be cut next year, less than 5 percent. We know from past history what happens when tax cuts are put in law now while most of the actual cuts are to take place later.

Some of our Republican colleagues have appeared, in public statements, to agree that a tax cut should be put off until we are sure deficits will drop as predicted. Let's join together on a bipartisan basis and do just that.

I yield the floor.

Mr. BUMPERS. Mr. President, I yield the Senator from Wisconsin 5 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I thank the Chair.

Mr. President, this amendment is simple and straightforward. It eliminates the fiscally irresponsible and reckless tax cut that is the core of this fatally flawed reconciliation package.

All the other provisions of the reconciliation bill, in my view, flow from this singular act of fiscal irresponsibility. Cuts to Medicare and Medicaid, student loans and the earned income tax credit, as well as the other provisions in this measure, all driven by the need to fund a quarter of a trillion dollar tax cut, are so out of proportion to any consensus the public would support that I think they doom any hope their supporters might have of really balancing the budget.

Mr. President, just as we are beginning to climb out of the hole that was dug 14 years ago, somebody wants to shove us back in.

Mr. President, we have made remarkable progress in lowering the Federal budget deficit during the 103d Congress. The President's deficit reduction package produced $600 billion in lower deficits and got us about half the way there—almost half the way there to a balanced budget, from over $300 billion to about $160 billion. In fact, Mr. President, but for the debts rung up during the 1980's, we would be in balance today.

But we still do not have a balanced budget, and we cannot afford any tax cut—not the President, not the House, not the Senate tax cut. We need to balance the budget. That should be our first priority.

Actually, Mr. President, this bill is really an alchemist's dream. Those who have crafted this measure have finally invented a machine that makes gold. The reconciliation bill really amounts to just that. It is a machine that makes gold. All you do is feed health care services for the most vulnerable among us in our Nation, and out comes gold.

Of course, Mr. President, not everyone shares equally in that bounty. The gold from this machine largely benefits the best off in our Nation. The better off you are, the more you get. The less well off you are, the less you get.

I am not going to dwell any further on the distribution issues relating to the tax cut. As I have noted many times on this floor, this issue comes to me as an issue of pure fiscal responsibility. Even if the benefits of tax cuts were more fairly distributed, I would oppose it. We cannot afford to cut taxes while we still face a Federal budget deficit of $160 billion. Nobody out there believes that makes fiscal sense. It is the opposite of sense. And you cannot spend $1 three times. You cannot say you are spending the dollar to save Medicare and then you are going to use the same dollar to eliminate the deficit and then you are going to use the dollar for tax cuts. You can only spend it once. This budget uses it not to save Medicare, not to reduce the deficit, but to fund tax cuts. For that reason, I regard this as the most important amendment in this process, and I urge my colleagues to support it.

I thank the Chair.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. I wonder if the minority leader has a speaker here he wishes to recognize at this point?

Mr. ABRAHAM. Is the Senator referring to me?

Mr. BUMPERS. Yes.

Mr. ABRAHAM. He mentioned the minority leader.

Mr. BUMPERS. Majority leader. I am sorry; I have a hard time breaking the habit.

Mr. ABRAHAM. I will have somebody here shortly. If the Senator has a short speech, we would be ready to go after that.

Mr. BUMPERS. Mr. President, I yield 5 minutes to the Senator from North Dakota.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Like the previous amendments, this one is also painfully simple. It is an amendment that will not take a dozen staff to explain, an amendment that will not take a great deal of research, an amendment that probably should not take a great deal of thought. No one can misunderstand what this is. This amendment says we ought not do a tax cut until the budget is balanced. Do not serve dessert before the main course.

It is a pretty simple proposition. My expectation is they will not want to vote on that either. We have been here 30 hours. They do not want to give a vote on Medicare so we will not get a vote on this. One of these days we will, I guess.

Let me talk about the proposed tax cut. This is the center pole in the tent called Contract With America. This is the center pole of the tent, the tax cut. And I understand why. It is enormously popular. Go take a poll and ask people: Would you like a tax cut? Heck, yes, I would like a tax cut; the bigger the better.

So I understand why it is there. This is about polls and focus groups and finding out what is popular—let us give a tax cut. I wonder how the American people would feel if they were told that every dollar of this tax cut will be borrowed in order to give it. In other words, we are going to increase the Federal debt during these 7 years with this plan by $660 billion roughly—this plan, a $660 billion increase in the debt and then a $245 billion tax cut. In other words, every single dollar plus much more will be borrowed. We will borrow money, float bonds to give a tax cut, a substantial portion of which will go to upper income Americans.

I think most people would say, well, that does not make much sense. But that is not what this debate is about—sense. If it were about sense, we would not even have to offer this amendment. We would have people say let us do the honest work and the tough work, the heavy lifting to balance the Federal budget. Let us do that. When we are done with that, then let us talk about the Tax Code, what is wrong with it, how do we fix it, who gets a tax cut.

That is not what we are doing. What we are doing is pretending to balance the budget and saying now that we pretend to balance the budget, we will offer up a tax cut. Unfortunately, we have a letter dated October 20 from the Director of the Congressional Budget Office. I asked, is the budget in balance in the year 2002? The answer is no—$105 billion deficit in 2002. That is, of course, if you take the Social Security trust funds and put them in the Social Security trust funds where they should be. If you take them out and use them as operating revenue, then you balance the budget.

I guess those who took remedial accounting and believe that double entry

bookkeeping means you can use money twice in two different places at the same time, I guess they are comfortable and they can sleep with this. But, of course, if you were in private business and said, let me take the money out of my employees' pension funds and use it on my operating statement, you would be doing years at hard tennis at some minimum security prison. Instead, it is ''budget technique'' to say, let us misuse Social Security trust funds, show a balanced budget in the year 2002 by misusing that money, and then claim we have a balanced budget so we are going to give a tax cut. Every single dollar of this tax cut will be borrowed in the next 7 years and every Member of this Senate knows it. They can pretend they did not hear or they did not know; it escaped their attention. But they know it. This amendment is very simple. It is called a ''fiscal responsibility amendment.'' It says, let us do the tough, honest work first, get the budget balanced, really balanced, and then let us decide how to fix our tax system.

Having said all of that, I hope one of these hours we will get a vote first on Medicare and then on the sequential amendments because these are not difficult for anybody to understand.

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

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, I yield myself such time as I need. I will be very brief, and then I will yield further time on our side.

Mr. President, the fact is it is not surprising that the minority is arguing against tax cuts. They are the party that raised taxes in this country in the last Congress by a record-setting $270 billion. In my State and across America, everywhere I go, the people I talk to say we need a tax cut to make ends meet. The middle-class squeeze we talk about on the floor all the time is in no small measure the result of the fact that today in America average families send $1 to Washington for every $4 they earn versus $1 for every $50 they earned back in the 1950's and the 1960's. Those are the families who are paying the bills and paying the taxes.

As we go through the belt-tightening process here in Washington to bring down the deficit, we believe it is only fair to let those hard-working families keep more of what they earn. What we have been presented with today is an amendment that says to all of those families: Wait. Wait, American families, hard-working families, for your $500 tax credit. Wait, spouses who work in the home, before you get your IRA. Wait, to people who want to adopt and need a little help making an adoption feasible. Wait, to jobseekers who need the opportunities created by progrowth tax cuts.

We believe the waiting should be over. We say this: If America's taxpayers want to wait for the Democrats and President Clinton to produce a tax cut, fine. But we have already gone through a lot of waiting for the tax cut that was promised in the 1992 campaign by the President. It has never been delivered. The waiting that this amendment suggests will have to continue will also be undelivered. We are prepared to allow hard-working families to realize tax savings now.

At this time I yield 6 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, we have entered a new age in American politics. All of us know that. The days are long gone when elected officials can get elected, duck controversy, avoid hard choices, and, yes, hide from the judgment of the people. Governing in 1995 requires hard choices, adherence to principle and accountability. As party defections increase, as State legislatures and governorships change hands, my former colleagues on the other side of the aisle scratch their heads and ask why. The answer is simple, Mr. President. On the other side of the aisle there is no accountability and no willingness to make hard choices.

Instead, I believe they remain wedded to the status quo politics and policies that have led this country to the verge of bankruptcy.

For 60 years the other side has steadily created a Federal monster that now handles $1 out of every $4 in our economy. While the growth of the Government that past half century is stunning, it should come as no surprise to all of us. The politics of the status quo promoted on the other side of the aisle operates on the simple premise that the American people will always trade their freedom and their hard-won dollars for the promise of Government security.

''Tax and spend.'' Yes, Mr. President, ''tax and spend, and the docile American people will never resist. Tax and spend, tax and spend, and the American people will never support the reform or repeal of a Government program. Make the American people dependent on the Federal Government for everything from income and health care to business subsidies, and they will never resist or even reject us.''

These, Mr. President, I believe, are the maxims by which the agents of the status quo operate. But, Mr. President, the agents opposed to change have vastly underestimated the American people. The reason, Mr. President: The price of a balanced budget is so high that the American people will reject any politician who attempts to do the right thing and bring the budget into balance. They are dead wrong. We are allowing families to keep more of their hard-earned dollars, and we are ending welfare as we know it, and, above all, we are balancing the budget. The agents of change have a solemn obligation to do the unheard of, keep their promises. And I believe we will.

Mr. President, I would just like to show two charts in the short time I have of what parents can purchase with a $500-per-child tax credit in America.

For example, with a $500 tax credit, items parents can purchase: a winter jacket, $30; winter boots, $30; athletic socks, $6.50, six pairs of those; a sweat shirt, $12; books, $100; a tutor for their child, $230, 32 hours. That is $498.50. We checked it out.

We also have another chart for the $500 tax credit. Parents can purchase 847 jars of baby food or, Mr. President, 2,370 disposable diapers or approximately 6 months of electric bills.

The $500 tax credit for working families in America is real, and they need it.

Ms. MIKULSKI. Mr. President, I rise in strong support of the fiscal responsibility amendment. Mr. President, we should not cut taxes until we balance the budget. This reconciliation legislation cuts taxes before the budget is balanced. This is like eating dessert before dinner.

I support a balanced Federal budget and I have voted for significant deficit reduction over the past 2 years. But reducing the deficit cannot be accomplished if we are simultaneously cutting taxes for the wealthiest of Americans.

This is fiscally irresponsible. This highlights the Republican's real priority in this reconciliation bill—cutting taxes for the wealthiest Americans.

Balancing the budget must be based on principles that uphold basic values. Protecting our seniors, providing opportunities for our young people, and protecting the ladders of opportunity for working families are my guiding principles. This reconciliation legislation violates those principles by gutting Medicare and Medicaid, cutting student loans and repealing the earned income tax credit [EITC].

The fact is Mr. President, the Republican tax cut would add nearly $300 billion to the national debt by 2002. All but the last few billion of the tax cut is borrowed money, under the Republicans own deficit reduction timetable.

This reconciliation bill is fiscally irresponsible—and don't think otherwise. Requiring the budget to be balanced before we cut taxes is the responsible, fair and principled action to take. That's what this amendment ensures. This amendment also ensures that future tax cuts will be targeted to low and moderate-income working American families, not the wealthiest Americans. That is why I support this amendment and urge my colleagues to support it.

Mr. President, the tax cuts proposed by the Republicans are fiscally disastrous. I urge my colleagues to vote for fairness and common sense and vote for this amendment.

Mr. ROBB. Mr. President, I have long believed that it would take courage and wisdom to develop and implement a plan that would lead to a balanced budget. Without the courage to make tough choices and the wisdom to place budget policy above partisan politics,

our ability to develop an equitable plan that can stand the test of time and public opinion is severely limited.

While I give our Republican friends credit for bringing this package to the floor, I must say that a certain element of this plan does not reflect courage, wisdom or equity. A particular concern to me is the tax breaks which have been included in the bill.

Mr. President, it does not take courage to cut taxes. That is one of the easiest votes a legislator can cast. What takes courage is to revisit politically popular tax cuts at a time we have a nearly $5 trillion debt, and even a unified balanced budget is at least 7 years away if we get there at all. And for all the talk about fiscal responsibility recently, how can we endorse a $245 billion tax cut that makes balancing the budget much more difficult and adds to the debt over the next 7 years?

Mr. President, I was one of three Democrats who supported the original Senate budget resolution this year because I strongly believe that we have a responsibility to make tough choices that are necessary to balance the budget.

Unfortunately, during the budget resolution conference between the House and the Senate, fiscal responsibility gave way to political expediency as tax breaks were added up front and the deep spending reductions moved into the next century. Were these particular changes wise? In my judgment, absolutely not.

I think most in this Chamber would agree we should not be cutting taxes until we prove capable of carrying out these spending reductions and actually balance the budget.

If we get further down the road and decide spending reductions, particularly Medicare and Medicaid, in this plan are politically unsustainable, I fear, Mr. President, that we will abandon the spending cuts and leave the tax cuts in place at a time when their cost will begin to explode. And as we have seen before, the end result will be we will simply be further away from a balanced budget.

The last point I would like to address is equity. Including the tax cut in this plan is not equitable. At a time when we are asking the American public to sacrifice by restraining the growth of programs which benefit low- and-moderate-income individuals, how can we, in good conscience, adopt a tax cut which, according to the Treasury Department estimates, will disproportionately benefit upper-income Americans? I simply cannot agree.

Including $245 billion in tax cuts in this budget package is not courageous, it is not wise, and it not equitable. I would implore my colleagues to reject the proposition that we should have tax cuts before we have a balanced budget.

With that, Mr. President, I yield the floor, and I thank the Chair.

YOUR'RE RIGHT MR. PRESIDENT, YOU RAISED TAXES TOO MUCH!

Mr. ROTH. Mr. President, why after shackling American middle-class families with the largest tax increase in history, has Bill Clinton finally admitted that he made a mistake? Why does his confession come just days before Congressional Republicans are scheduled to meet in conference to finish one of the largest tax cut proposals since the Kemp-Roth income tax rate reductions brought our economy roaring back in the 1980's?

Because Bill Clinton knows his taxes did not deliver on his promise to improve the economy, bring down interest rates, and thereby reduce the deficit.

Tax increases never do.

History proves that increases actually poison economic growth while tax cuts unlock capital, encourage savings, improve investment, and create jobs, opportunity, and growth.

Kemp-Roth led to the longest peacetime economic expansion in history. Eighteen million jobs were created, along with four million new businesses. Family income rose and home ownership boomed as interest rates and inflation fell. At the same time, Treasury revenues doubled, not because Americans were paying a higher percentage of their income to taxes, but because Americans had higher incomes.

We must unlock this kind of growth again. Only by creating an environment where our economy can expand can we simultaneously cut the deficit and meet necessary Government obligations.

Last spring the House passed a 7-year $354-billion tax reduction package, 76 percent of which, would go to family relief, and 24 percent to job creation. The plan offers a $500-a-child tax credit, encourages savings and investment, and offers other incentives for economic growth.

The proposal recently passed by the Senate Finance Committee cuts taxes by $245 billion, offers relief for our middle class—with over 70 percent of the $245 billion going to families making less than $75,000 a year—and, like its House counterpart, contains incentives that will encourage savings, investment, capital formation, and business growth. These provisions mean more jobs for Americans, greater economic security for our families, and stability in our communities.

Of the $245 billion Senate relief package, a full $223 billion will go to families. The remaining $22 billion will strengthen businesses and lead to increased employment opportunity. It will also improve America's ability to compete in the global community, with other nations that provide their businesses with strong incentives to compete with us.

The four pillars of both proposals are: First, a $500 child tax credit; second, restoration and strengthening of Individual Retirement Accounts; third, relief from overbearing estate taxes on families and businesses; and, fourth, reduction of the top rate of capital gains on individuals and corporations.

These measures meet our promise to the American people that in Washington we will change business as usual. The current system double-taxes savings, thwarts investment, hinders productivity, increases prices, stifles wages, and hurts exports. It is complex, controlled by special interest groups, and places disincentives on work.

Our proposals represent a major step toward correcting these deficiencies, and because we have cut spending, our bill balances the budget while making room for tax relief. The House has acted. Now, the full Senate must pass the Finance Committee's proposal. Following a House-Senate conference to iron out any differences between the bills, both Chambers must pass this historic reform, and the President must sign it into law.

Americans need relief. Our economy needs a shot in the arm. Even Bill Clinton has admitted as much. We call on him to join us in our efforts to unleash the potential our economy has to move us into a bold and exciting future.

He admits he made a mistake. Working together, we can fix it.

Martin Feldstein, former Chairman of the President's Council of Economic Advisers and professor of economics at Harvard University spells out in a very livid fashion what the 1993 tax increases really did in an article in The Wall Street Journal. I request that article be included in the RECORD in its entirety.

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

[From The Wall Street Journal]

WHAT THE '93 TAX INCREASES REALLY DID

(By Martin Feldstein)

President Clinton was right when he recently told business groups in Virginia and Texas that he had raised taxes too much in 1993, perhaps more so than he realizes. We now have the first hard evidence on the effect of the Clinton tax rate increases. The new data, published by the Internal Revenue Service, show that the sharp jump in tax rates raised only one-third as much revenue as the Clinton administration had predicted.

Because taxpayers responded to the sharply higher marginal tax rates by reducing their taxable incomes, the Treasury lost two-thirds of the extra revenue that would have been collected if taxpayers had not changed their behavior. Moreover, while the Treasury gained less than $6 billion in additional personal income tax revenue, the distortions to taxpayers' behavior depressed their real incomes by nearly $25 billion.

HOW IT HAPPENS

To understand how taxpayer behavior could produce such a large revenue shortfall, recall that the Clinton plan raised the marginal personal income tax rate to 36% from 31% on incomes between $140,000 ($115,000 for single taxpayers) and $250,000, and to 39.6% on all incomes over $250,000. Relatively small reductions in taxable income in response to these sharply higher rates can eliminate most or all of the additional tax revenue that would result with no behavioral response.

If a couple with $200,000 of taxable income reduces its income by just 5% in response to

the higher tax rate, the Treasury loses more from the $10,000 decline in income ($3,100 less revenue at 31%) than it gains from the higher tax rate on the remaining $50,000 of income above the $140,000 floor ($2,600 more revenue at 5%); the net effect is that the Treasury collects $600 less than it would have if there had been no tax rate increase.

Similarly, a couple with $400,000 of taxable income would pay $18,400 in extra taxes if its taxable income remained unchanged. But if that couple responds to the nearly 30% marginal tax rate increase by cutting its taxable income by as little as 8%, the Treasury's revenue gain would fall 67% to less than $6,000.

How can taxpayers reduce their taxable incomes in this way? Self-employed taxpayers, two-earner couples, and senior executives can reduce their taxable earnings by a combination of working fewer hours, taking more vacations, and shifting compensation from taxable cash to untaxed fringe benefits. Investors can shift from taxable bonds and high yield stocks to tax exempt bonds and to stocks with lower dividends. Individuals can increase tax deductible mortgage borrowing and raise charitable contributions. (I ignore reduced realizations of capital gains because the 1993 tax rate changes did not raise the top capital gains rate above its previous 28% level.)

To evaluate the magnitude of the taxpayers' actual responses, Daniel Feenberg at the National Bureau of Economic Research (NBER) and I studied the published IRS estimates of the 1992 and 1993 taxable incomes of high income taxpayers (i.e., taxpayers with adjusted gross incomes over $200,000, corresponding to about $140,000 of taxable income). We compared the growth of such incomes with the corresponding rise in taxable incomes for taxpayers with adjusted gross incomes between $50,000 and $200,000. Since the latter group did not experience a 1993 tax rate change, the increase of their taxable incomes provides a basis for predicting how taxable incomes would have increased in the high income group if its members had not changed their behavior in response to the higher post-1992 tax rates. We calculated this with the help of the NBER's TAXSIM model, a computer analysis of more than 100,000 random, anonymous tax returns provided by the IRS.

We concluded that the high income taxpayers reported 8.5% less taxable income in 1993 than they would have if their tax rates had not increased. This in turn reduced the additional tax liabilities of the high income group to less than one-third of what they would have been if they had not changed their behavior in response to the higher tax rates.

This sensitivity of taxable income to marginal tax rates is quantitatively similar to the magnitude of the response that I found when I studied taxpayers' responses to the tax rate cuts of 1986. It is noteworthy also that such a strong response to the 1993 tax increases occurred within the first year. It would not be surprising if the taxpayer responses get larger as taxpayers have more time to adjust to the higher tax rates by retiring earlier, by choosing less demanding and less remunerative occupations, by buying larger homes and second homes with new mortgage deductions, etc.

The 1993 tax law also eliminated the $135,000 ceiling on the wage and salary income subject to the 2.9% payroll tax for Medicare. When this took effect in January 1994, it raised the tax rate on earnings to 38.9% for taxpayers with incomes between $140,000 and $250,000 and to 42.5% on incomes above 250,000. Although we will have to wait until data are available for 1994 to see the effect of that extra tax rate rise, the evidence for 1993 suggests that taxpayers' responses to the higher marginal tax rates would cut personal income tax revenue by so much that the net additional revenue for eliminating the ceiling on the payroll tax base would be less than $1 billion.

All of this stands in sharp contrast to the official revenue estimates produced by the staffs of the Treasury and of the Congressional Joint Committee on Taxation before the 1993 tax legislation was passed. Their estimates were based on the self-imposed ''convention'' of ignoring the effects of tax rate changes on the amount that people work and invest. The combination of that obviously false assumption and a gross underestimate of the other ways in which taxpayer behavior reduces taxable income caused the revenue estimators at the Treasury to conclude that taxpayer behavior would reduce the additional tax revenue raised by the higher rates by only 7%. In contrast, the actual experience shows a revenue reduction that is nearly 10 times as large as the Treasury staff assumed.

This experience is directly relevant to the debate about whether Congress should use ''dynamic'' revenue estimates that take into account the effect of taxpayer behavior on tax revenue. The 1993 experience shows that unless such behavior is taken into account, the revenue estimates presented to Congress can grossly overstate the revenue gains from higher tax rates (and the revenue costs of lower tax rates). Although the official revenue estimating staffs claim that their estimates are dynamic because they take into account some taxpayer behavior, the 1993 experience shows that as a practical matter, the official estimates are close to being ''static'' no-behavioral-response estimates because they explicitly ignore the effect taxes on work effort and grossly under estimate the magnitude of other taxpayer responses.

CURRENT PROPOSALS

In Congress had known in 1993 that raising top marginal tax rates from 31% to more than 42% would less than $7 billion a year, including the payroll tax revenue as well as the personal income tax revenue, it might not have been possible for President Clinton to get the votes to pass his tax increase.

Which brings us back to President Clinton's own statement (half-recanted the next day) that he raised taxes too much in 1993. Congress and the president will soon be negotiating about the final shape of the 1995 tax package. The current congressional tax proposals do nothing to repeal the very harmful rate increases of 1990. Rolling back both the personal tax rates and the Medicare payroll tax base to where they were before 1993 would cost less than $7 billion a year in revenue and would raise real national income by more than $25 billion. Now that the evidence is in, Congress and the president should agree to undo a bad mistake. ●

Mr. BUMPERS. I yield the Senator from Florida 2 minutes.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, we have just heard a speech about change versus the status quo. This is one place in which we are all together. This is the status quo. This is deja vu all over again. We started this process of saying that we were going to meet deficit reduction targets and committed to the American people our frugality and our dedication to their attainment.

We did it under what was called Gramm–Rudman. And in the years from 1986 to 1990, those 5 years, we had deficit-reduction targets for Gramm–Rudman that were supposed to bring us to a balanced budget early in this decade.

What did it, in fact, bring us? More enormous deficits. And every year of Gramm–Rudman, from 1986 to 1990, we failed to meet the deficit reduction target. In fact, the total amount of our excess deficits, deficits beyond the target, was $201 billion over those 5 years.

Did we change that pattern after President Bush went to Andrews Air Force Base and negotiated a new deficit-reduction plan? We did not—in 1991, 1992, 1993, again, failure to meet the deficit reduction targets in excess of $150 billion in just those 3 years.

Mr. President, we delude ourselves, we repeat the status quo, not engage in change if we are saying that we are going to give ourselves this tax benefit before we demonstrate, first, that we have a serious, credible plan for balancing the Federal budget that is not just smoke, mirrors and ideas in the minds of a few people, but rather concrete law that has been passed, signed by the President and is a firm national contract and commitment to its attainment, and, second, a period of demonstrated fidelity to that plan and performance under that plan.

I am the grandfather of eight young boys and girls. I know one thing about children: They like to eat their dessert before they will eat their spinach. That is what we are being asked here to do, is eat the cake and ice cream before we have the carrots and peas. I think we should not go down that path one more time.

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

Mr. BUMPERS. Mr. President, I yield 2 minutes to the Senator from Nebraska.

Mr. KERREY. The Senator from Alabama's speech was earlier. It was helpful. I have to pick up some groceries on the way home. But I did not find it to be terribly helpful in this debate, saying that Democrats have no accountability, that Democrats are not willing to make hard choices, that we are for the politics of the status quo. That is just bunk.

I just stood out on the Capitol steps a little while ago endorsing a Democratic proposal that balanced the budget in 7 years, making very tough choices but without this tax cut. And one of the hard truths that we have to face right now is, the truth of the matter is Republicans in America, Mr. President, not Republicans in this Congress, by the New York Times poll this morning, Republicans in America oppose the tax cut. Indeed, more Democrats in America support the tax cut. And the most revealing thing of all is that the lower the income goes of working people, the more they favor a tax cut. Unfortunately, they do not benefit from this tax cut.

Indeed, as a consequence of change in the earned income tax credit, and according to the Republican Joint Tax Committee, every family under $30,000 will have a tax increase.

It is remarkable, Mr. President, in addition to not needing to cut taxes, we have got plenty of tough choices to make, and I hope we are able to vote in a bipartisan fashion for tough choices, that break the status quo of deficit financing and move us to a balanced budget.

But those are not the only goals that we need to move toward. That is not the only status quo that we need to make. We had another million Americans that moved into the ranks of the uninsured in 1994. We have another 1.5 million that will move to be uninsured in health care as a consequence of what is happening in the health care industry.

Almost 50 percent of the babies born in the State of Texas are paid for by Medicaid, working people, Mr. President, as a consequence of the status quo. There are lots of changes that need to be made. I am willing to make tough votes to change the status quo and move to a balanced budget, but not with a $245 billion tax cut that does not benefit the Americans that need to be benefited.

Mr. BUMPERS. How much time remains?

The PRESIDING OFFICER. Three and a half minutes.

Mr. BUMPERS. I yield 2 minutes to the Senator from Connecticut.

Mr. DODD. Mr. President, I thank my colleague for yielding.

Mr. President, really what we are suggesting with this amendment is two concepts here: It is fiscal responsibility and equity. I know that there are those who believe that these tax breaks are critical. Some, I believe, honestly believe, I think, this is going to create some sort of a massive new growth, although there are no studies that I know of that indicates that is the case at all. But the cruel, hard facts here, Mr. President, are that what we are talking about is a deficit that will increase.

According to the hand-selected head of the Congressional Budget Office by our friends on the other side, they have said this produces a deficit, this proposal, in excess of $93 billion. So for those who are seeking fiscal responsibility, the inclusion of $245 billion in tax breaks does not get us there.

So, Mr. President, on the question of fiscal responsibility, this is irresponsible. On the issue of equity, what we are doing here with this proposal is we are taking significant cuts, far beyond what is needed to restore the integrity of Medicare or Medicaid, in order to pay for tax breaks, the bulk of which go to people at an upper-income category and simultaneously increasing the tax obligation of those people at the working class category.

If you make $30,000 or less, you have got a $352 tax increase. That is what is in this bill. It is in black and white, a $352 tax increase.

If you are the top 1 percent of income earners, your tax break is almost $6,000. That is not equitable, Mr. President. It is not fiscally responsible, and it is not equitable. And for that reason, we urge our colleagues to support this amendment.

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

Mr. BUMPERS. Mr. President, let me just close by saying that I can remember when there were about 10 Republicans last summer who were strongly opposed to a tax cut until we balanced the budget. I do not think the majority leader was very keen for it. And the Senator from New Mexico, chairman of the Budget Committee, was devoutly opposed to it.

So what happened along the way? I can only conclude that NEWT GINGRICH said, ''This is the major part of the contract. You do not have any choice. You have got to abandon all economic reason and sanity and vote for this tax cut.''

It is the height of fiscal irresponsibility to do it. But even more importantly, it is a social disaster. It makes the working people of this country second-class citizens. They are in the second tier. I do not want to say the idle rich, but the rich who do not work, who get their income from the sweat of somebody else's brow, they are in the first-class tier.

Mr. President, the real tragedy is the American people are not asking for this. If you look at the New York Times poll this morning, the American people are strongly opposed to a tax cut until we balance the budget.

Here is a USA poll taken in December of 1994. Seventy percent of the people in this country said, ''We want the budget balanced before you cut taxes.''

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

Mr. BUMPERS. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senator from Michigan controls 19 minutes. The time has expired on your side.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, at this time, we are prepared to yield back the remainder of our time. I inquire before I do as to whether the Senator from Nebraska is prepared to proceed with their next amendment? If not, until they are ready I will probably be putting in a quorum call request without the time running against either side.

Mr. President, I yield back the remainder of my time. I suggest the absence of a quorum, and I ask unanimous consent that the time not run against either 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. ABRAHAM. 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. ABRAHAM. Mr. President, at this time, I yield 5 minutes to the Senator from Texas, to be taken off our time on the bill.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, if you are looking at our budget which is now before the Senate, it addresses two basic facts that I believe alarm all working Americans.

The first fact is that the average family in America with two little children, which in 1950 was sending $1 out of every $50 it earned to Washington, DC, is today sending $1 out of every $4 it earns to Washington, DC. And if over the next 20 year, we do not start a new spending program nor eliminate an existing one, to pay for the Government we have already committed to will mean that in 20 years the average working family in America with two children will be sending $1 out of every $3 they earn to Washington, DC.

Bill Clinton looks at that trend and says, ''Great, let's accelerate.'' We look at it and say, ''It has to be stopped and it has to be reversed.'' And that is exactly what we do in our budget.

The second figure is a very simple fact and it is an alarming fact. A baby born in America today, if the current trend of Government spending continues unabated, will pay $187,000 of taxes in their working lifetime just to pay interest on the public debt. That is not just economic suicide, that is immoral, and we are determined to stop it.

Here is basically where we are. We have written a budget that over 7 years comes into balance. President Clinton has trumpeted the fact that the deficit today is down, but he does not show us that his own budget office shows that under his budget, and the Congressional Budget Office shows convincingly, that the deficit now skyrockets under the Clinton budget. He has sent us not one but two budgets, and under both of those budgets, the deficit explodes.

We have proposed a budget that achieves balance in 7 years, and now the President is saying to us that unless we increase spending on programs that we do not need and we cannot afford that the President is going to veto our budget.

Well, Mr. President, let me say as one Member of the Senate, there is no circumstance under which I am going to go back and rewrite our budget. There is no circumstance under which I am going to agree to increase spending, to continue the deficit spree that threatens the future of our country and that threatens the future of our children.

We have proposed a budget that cuts taxes. It gives a $500 tax credit per child for every working family in America. What it means is that if we are successful next year, every working family in America that pays taxes that has two children will get to keep $1,000 more of what they earn to invest in their own children, to invest in their

own family, to invest in their own future.

Now Bill Clinton says the Government can spend the money better than that family can spend the money. We reject that. We think history proves that notion is wrong and we are confident that the people who do the work and pay the taxes and pull the wagon in America agree with us.

Our $500 tax credit per child, our elimination of the marriage penalty will mean that the average working family in my State will get to keep $1,100 more of their hard-earned income to invest in their own future, to invest in their own children, and we want that to happen.

We talk so much about balancing the budget, but it has been so long since we have done it that people forget what the benefits of a balanced budget are. First of all, since we are balancing the budget and cutting taxes, the first benefit for a working family with two children is they get to keep $1,000 more of what they earn.

But a balanced Federal budget would mean on an average mortgage of the average working family, that their mortgage payments per year over the next 20 years would be $1,664 less per year. In buying a new car every 4 years and financing it, as most working Americans have to do, they would pay $180 less in interest costs for buying that car every year because we balanced the budget.

Because we will have more growth when income is going into expanding the economy, that is $1,385 of income for every working family.

You add it all up and the average family in America gains, I repeat, gains $4,229 a year directly from a balanced budget. It means over 1.75 million more jobs annually and reducing the national debt mortgage on our grandchildren by $66,000.

This budget is a choice: Do you want more income, lower interest rates, higher growth, more jobs, less debt on your grandchildren and to keep more of what you earn?

We say, ''Yes.'' The Democrats say, ''No, Government can do it better.''

MOTION TO COMMIT

Mr. BAUCUS. Mr. President, I send a motion to the desk.

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS] moves to commit the bill S. 1357 to the Committee on Finance with instructions to report the bill back to the Senate within 3 days (not to include any day the Senate is not in session) making changes in legislation within that Committee's jurisdiction to reduce revenue reductions attributable to tax breaks benefiting upper-income taxpayers over the next seven years in an amount necessary to avoid unfair cuts in Medicare payments to rural hospitals and other rural health care providers, to maintain federal support at the levels recommended by the President of the United States for federal agriculture and nutrition programs, and to maintain levels of federal support for education and child care in rural America.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the time allotted be reduced to 15 minutes, equally divided.

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

Mr. ABRAHAM. Mr. President, on behalf of our side, we will agree to that.

Mr. BAUCUS. Mr. President, the whole country knows about the Medicare cuts in this budget, and the threats they present to rural hospitals and to health care for seniors.

A lot of people know that a few days ago, the House Speaker NEWT GINGRICH called this bill the round one in a long-term plan to kill Medicare.

Many people know how deeply it will cut student loans and assistance for elementary and secondary education.

THE 1995 FARM BILL

But very few people know that this year, the budget is also the farm bill. It will reauthorize all the commodity programs and the Conservation Reserve Program. It will eliminate several more. Altogether, for the next 7 years, it sets our national agriculture policy.

It is supposed to keep rural economies stable. And it should guarantee consumers a safe and dependable food supply at a reasonable price. But on the Senate floor today, we have something entirely different.

I am sorry to say it, but laying everything about Medicare, tax increases on people making less than $30,000 a year, education and the rest aside, this is a terrible farm bill.

WRITTEN IN SECRET

First, it is partisan. It is a hard-line, ideological approach to agricultural policy, not an effort to bring people together and take the best from everyone.

Second, it is secretive. It was written behind closed doors. And very, very few Americans even know it is up on the floor today.

At an absolute maximum, the agricultural part of this budget will get a grand total of 50 minutes for debate. It is a scandal, but it is not a surprise. Because if this were my bill, I would not want to say much about it either.

But in any case, I want to welcome all my colleagues to the debate on the 1995 farm bill. I imagine the other side will be awfully quiet. But we're here to make up for it.

We are going to use these 45 minutes to tell the truth about the big, gobbling, turkey out here on the Senate floor. And then we'll give the other folks a second chance.

Our motion to recommit will restore the traditional, bipartisan approach to agricultural policy. We can work together, restore some fairness and moderation. And if we adopt this motion, our friends on the other side of the aisle can have something to be proud of when they go home and talk to their farmers.

SEVEN LEAN YEARS TO COME

If you have read Genesis, chapter 41, you know the story of Joseph's dream. He compared the 7 years to come with:

seven kine . . . poor and very ill favoured and lean-fleshed, such as I never saw in all the land of Egypt for badness.

These seven ill-favored cattle ate up the good cattle, just as seven ears of corn, ''withered, thin and blasted with the east wind'' ate up seven good ears of corn. So Joseph could tell that the future would bring 7 years of trouble—7 lean years, in which ''all the plenty shall be forgotten in the land of Egypt.''

Well, we may not be as wise as Joseph. And the days of inspired prophecy may be gone. But on the other hand, we have a lot more than a dream to go on. We have hard facts and numbers. And these facts and numbers tell us that our farmers have 7 pretty lean years ahead.

This bill makes dramatic cuts in farm supports, which have already been cut 60 percent in the past decade. If this turkey survives Thanksgiving of 1995, the year 2002 will see us fund just half of today's Conservation Reserve Program. Bad for farmers, bad for hunters, bad for recreation.

The Emergency Livestock Feed Assistance Program will end. Our deficiency payments—the safety net our producers need in tough times—will be capped. In the very worst years, when our producers need help most, it won't be there.

Then look at nutrition. School lunch, daycare meals, and meals for senior citizens are all cut. And these are not surgical strikes—these are repeated blows with a meat axe.

These cuts affect more than farmers. They affect all of rural America. Schools, grocers, bankers, fuel dealers, equipment and automobile dealerships, and even our local and county governments will all feel the pinch.

And we are doing all this at a time when our competitors in Europe are not giving up a thing. They already give their farmers over 10 times the export subsidies we provide.

This budget cuts the Export Enhancement Program by 20 percent, and market promotion by 30 percent. We will end up exporting less, and that means lower incomes for farmers.

KEEPING YOUNG PEOPLE OFF THE LAND

Finally, maybe the most painful item of all. That is the apparent exclusion of beginning farmers from all these services. This spring I went to a lot of high school graduations in rural Montana. Places like Geyser, Hobson, Stanford, Opheim, Harlem and Dodson.

We have some great kids in these communities. They are looking forward to a career in agriculture like their parents. They want to work and provide for their families on their own land.

This bill shuts them out and puts them at a competitive disadvantage. Combine that with the trouble young farmers have in obtaining credit, and

the message they get from this budget is clear. There is no place for you in production agriculture. There is no place for the small family farm in America.

OUR AMENDMENT: A SECOND CHANCE

Well, we can do better. And with our amendment, we will do better.

Our amendment is very simple. It says, go back to the drawing board. Take it back to the Finance Committee. Restore some sense and moderation to agricultural policy, nutrition and our rural economic approach as a whole. The amendment doesn't dictate how we should do it, but it gives us a chance to take a second look and get it right.

Let us remember the story of Joseph. He saw the 7 lean years coming. He told Paraoh about his dream. And Paraoh listened to Joseph. He changed his agriculture policy, promoted production, and stockpiled corn. And therefore Egypt got through the 7 lean years.

We can do the same. if the folks on the other side will listen, we can take advantage of this second chance. We can vote for the motion to recommit, and come back with a moderate, nonpartisan farm policy that is good for everyone. I hope it will get the Senate's support.

Thank you, Mr. President, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. I yield 4 minutes to the Senator from Illinois.

Ms. MOSELEY-BRAUN. Mr. President, there is kind of a joke in Illinois that goes: ''Just outside of Chicago, there's a place called Illinois.''

That joke, or that phrase, used in the tourism industry, is based upon a notion that when people think of Illinois, they often first think of Chicago, and the rest of the State is overlooked. And that part of the State, the part ''just outside of Chicago,'' is rural. That part of the State has vital agricultural industry. That part of the State is where you will discover more rural communities than any other State in the Nation except Texas.

In fact, when you discover that fully half of the 11.5 million people of Illinois live in the places outside of Chicago, that, I think, paints a more accurate picture of what Illinois is about than what our popular mythology would lead you to believe.

The reason I mention that, Mr. President, is that what happens in this bill, in this Reconciliation Act, with regard to rural programs is, therefore, vitally important to the State that I was elected to represent.

I hope always to represent all of that State and speak to the interests of rural Illinois—speak to the interests of what we call downstate as much as any other part of my State. That part of Illinois, just outside of Chicago, is a part of Illinois that I am determined to see is not overlooked. But being overlooked, I think, captures the general feelings shared by many rural Americans this year when it comes to Federal dollars and Federal attention this part of the country needs and deserves.

Mr. President, rural Illinoisans understand the meaning of shared sacrifice. No group of Americans should be asked to share a disproportionate burden of cuts any more than any other group. Rural Illinoisans have told me, and I have been around my State in town meetings, the deficit reduction should be a priority for this Congress. They understand that no Federal program should be off limits, that nothing should be excluded from review, and that everything should be on the table.

However, they also understand that shared sacrifice is something that means everybody. Shared sacrifice is exactly what this reconciliation bill fails to accomplish.

Some Americans will see huge and significant tax cuts from this bill. But more than half of all Americans, including most rural Americans, will see no tax cut at all. What is more, the net effect of the overall bill is to tighten the economic vise on rural America.

The $13 billion in farm program cuts proposed by this bill means that Illinois farmers will lose over three-quarters of a billion dollars in economic protection. With $113 million in title I education cuts, rural Illinois loses $3 million at a time when many rural school districts face a funding crisis. The cuts proposed for grants and loans for water and waste disposal programs mean thousands of rural Americans will not have access to safe drinking water.

I understand my time is concluded. I would like a further minute to finish up.

Mr. BAUCUS. I yield 30 seconds to the Senator from Illinois.

Ms. MOSELEY-BRAUN. In closing, Mr. President, for rural America, this bill, in fact, is ''Robin Hood in reverse.'' The cuts on the rural programs are needlessly excessive, and given the fact that the tax breaks called for in this bill are absolutely inconsistent with our objective of deficit reduction, I believe we should recommit this bill back to the Finance Committee.

Mr. President, just outside of Washington is a place called rural America, a place populated by hard-working Americans who are willing to do their share—and then some—to achieve real deficit reduction, but who cannot afford the loss of economic opportunities this bill entails.

Surely we can do better than this bill.

Mr. BAUCUS. I yield 2 minutes to the Senator from Alabama.

Mr. HEFLIN. Mr. President, I want to talk about safety nets. The policy relative to agriculture is designed around a safety net. They have target price tied to some degree to the cost of production. This is a policy that has been established where there is no payment in good years. When you have a bad year, you need a safety net.

The proposal in the House eliminates the safety net. The proposal in the Senate puts gaping holes in the safety net for farmers. The idea of doing away with farm programs over a period of time, in my judgment, fails to realize the calamities, the disasters, that farmers face. They are subject to weather, they are subject to foreign competition, to price changes, all sorts of disastrous effects that can occur to the market.

I think we are making a serious mistake. We have cut agriculture programs from $30 million in 1986 down to $9 million last year. Here we come along with a $13.7 billion further cut in agriculture over 7 years. I think it is too much. We are not doing right by the farmer. We are doing away with the policy of safety net.

Mr. WELLSTONE. I yield a minute of my time to the Senator from Alabama.

Mr. BAUCUS. I yield 1 minute to the Senator.

Mr. HEFLIN. I want to mention, also, the safety net in regard to rural hospitals and the people.

In effect, what we are doing under the Medicaid and Medicare situation, we are eliminating a safety net for hospitals for rural America. In my judgment that is a mistake.

Safety nets go across the board. In my judgment, this bill is wrong in regard to what it does to rural America.

Mr. BAUCUS. I yield 2 minutes to the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, 2 minutes is hardly any time at all.

Let me just put it to you this way. This is thoughtless. This is not a farm bill. It is not agricultural policy. It is slash and burn. It is $48 billion over the next 7 years. It plays off children and nutrition programs against family farmers, against the environment. It is a 50-percent cut in the Conservation Reserve Program, which in my State of Minnesota and I bet every State, has brought together those that love outdoor recreation and the environmentalists and the farmers.

This is really, Mr. President, the opposite of a careful policy—the very opposite of a careful policy. What we have here is the worst of all worlds—keep the farm prices low, then have some subsidy. Have the subsidy in inverse relationship to need, with taxpayers having to pick up the cost.

Mr. President, why do we not understand that rural people are not going to stay out of sight and out of mind? Why are we picking on the people that we think do not have the voice, picking on the people we think do not have the power, picking on people who are not the heavy hitters, not the players, are not the big contributors.

That is what this is about. We should not have these tax cuts that go to wealthy people. We should not have a Pentagon budget that is $7 billion over what the Pentagon wanted, and we should not lavish subsidies on most of the major large corporations and financial institutions in the country.

Rural people in Minnesota, the people of greater Minnesota, ask for one thing and one thing only: A fair shake. There is no fair shake and there is no fairness to this plan.

That is why I am proud to be an original cosponsor of this amendment.

Mrs. MURRAY. Mr. President, I rise to support this motion to recommit. I am deeply concerned about the Republican budget proposal and its all-out assault on rural America. I understand the need to balance the Federal budget. In fact, I've supported balanced budgets. But, I do not think we should do it on the backs of our working families and farming communities. They deserve better treatment than that. Just because the voice of rural Americans is not heard as loudly on Capitol Hill as others does not mean they can be ignored.

This Republican budget attacks rural communities in my State of Washington on a number of fronts. Republican cuts to Medicare will force 157,700 older and disabled rural Washingtonians to pay higher premiums and higher deductibles for a weakened second class Medicare Program. The cuts will increase the severe financial pressure on rural hospitals in Washington. The average rural hospital will lose $5 million in Medicare funding over 7 years, forcing some to close their doors. In addition, the American Medical Association has stated that the Medicare cuts ''will unquestionably cause some physicians to leave Medicare''. Rural America is already suffering from a shortage of doctors when compared to the Nation as a whole and it will only become worse under this budget. Rural Americans will be paying more for less, and that is unacceptable.

In addition, Medicaid cuts will eliminate coverage for children, nursing home residents, and people in need of long-term care. As many as 2.2 million rural Americans, including 1 million children will be denied medical coverage in 2002 if the Republican plan is adopted. Gordon Lederer, a farmer in Latah, WA, sits on the board of directors of the Tekoa Care Center. Patients pay $90/day at Tekoa, and Mr. Lederer said that the board does not know how the Care Center will continue to provide service to the community if the cuts to Medicaid are enacted.

Mr. President, cuts to the earned income tax credit will cripple working families and their ability to provide for their children in rural Washington. The Republican cuts to EITC raise taxes on 49,945 working families in rural Washington by an average of $388 in 2002, imposing a $1.4 billion tax increase on rural Americans overall. And there's more.

The 25 percent cut to farm programs will reduce farm spending in my State of Washington by $290 million, drastically reducing support for commodity programs. I am particularly concerned about the reductions in the loan rate for wheat. These reductions could threaten the viability of farms in my State. In fact, I just heard from Mack and June Crow, wheat farmers from Oaksdale, WA. Their son now runs the family farm and they are deeply concerned about the impacts of the farm program cuts on their farm's income and hence, their ability to survive. Farms are a symbol of American bounty recognized worldwide. They are a major part of Washington State's export-based economy. Most importantly, they are a way of life that roots us and grounds us in our history and our land. To balance the budget on the backs of family farmers is not only unfair, it is un-American.

Republican cuts to education programs will deny basic and advanced skills education to 937 children in rural Washington. Small town schools in Washington are already having difficulty making ends meet. A 17 percent cut in title I funds will deny these schools crucial assistance as they struggle to adequately prepare our children for the future.

In addition, cuts to rural nutrition, housing, and transportation programs as well as cuts to programs designed to protect the environment and public health add insult to injury, and will further undermine our rural Americans attempts to secure a solid future for themselves and their children.

Mr. President, this Republican plan to balance the budget unfairly targets rural Americans. It burdens them with far more than their fair share of cuts. I therefore encourage my colleagues on both sides of the aisle who care about rural America to support this motion to recommit.

Mr. DASCHLE. Mr. President, today my colleagues and I offer an amendment to the budget reconciliation bill that reaffirms our commitment to rural America. This budget before the Senate today will devastate the hard-working farmers and ranchers that provide our Nation's food supply. It will also decimate the main street businesses, schools and hospitals that make up our rural communities. The agricultural cuts in this budget are too extreme, are unfair to rural America and should be restored. Our amendment proposes to do just that.

No one should be fooled. The agricultural provisions in this bill represent the bulk of the farm bill. Buried in this 2,000-page document is the heart and soul of agricultural policy for the next 7 years. There were no hearings during the development of this bill and no opportunity for Democratic input. Now we do not even get a vote on farm policy. It is all rolled up in this enormous budget bill. Everyone knows this is not the way farm bills have been developed in the past.

This farm bill rips the safety net out from under our hard-working producers by cutting $13.4 billion from farm programs over the next 7 years. In South Dakota that translates into a loss of $460 million for our producers. Nationwide net farm income is projected to decrease over $9 billion over the next 7 years. Clearly family farmers who are already disappearing at the rate of 600 per week cannot tolerate this level of income reduction.

The pain of this budget does not stop at the farm gate. It bleeds into our rural hospitals. Ten to fifteen rural hospitals are projected to close in South Dakota if the proposed Medicaid/Medicare cuts are enacted. Some people already have to drive over 50 miles to reach a hospital or doctor. After this budget goes into effect they will have to drive even farther. Add to that the fact that over 2 million rural residents nationwide will be denied Medicaid, and anyone can see that this budget is a recipe for a health care disaster in rural America.

The sad truth of this situation is that it does not have to be this way. This severe level of cuts was required only to finance the lavish tax breaks for the wealthiest of Americans who do not need them. This amendment my colleagues and I are offering provides the opportunity to send the agricultural provisions back to the drawing board and to do it right.

Rural Americans deserve better than what they are getting under this budget. Farmers and ranchers are committed to balancing the budget as long as it is done fairly. Reducing farm income to pay for tax breaks is not remotely fair. No one is asking for a handout—only as fair shake. This budget gives rural America, the very heartland of the Nation, little more than a cold shoulder. We can and should do better than that.

Mr. BAUCUS. Mr. President, I yield 2 minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, as I have said previously, this bill is about choices: 2,000 pages of making choices.

All across this country people got up this morning and ate breakfast food. Some ate rice that was crisped, called rice krispies. Some ate flaked corn, called corn flakes; wheat that was puffed, puffed wheat.

It is interesting. We have folks that raise these crops. They plow and raise wheat and corn. Down South they raise rice. Then we have a lot of folks that process it—the ones that put the crisp in it, put the flake in it, put the puff in it.

The big agrifactories have plenty of reason to smile at this. This bill is a really nice deal for them: tax cuts, major advantages.

But, the folks who get up in the morning and plow, they do not have much reason to smile. They get big cuts.

The President said $4.2 billion in cuts. We agreed to that.

But the Republican majority came along and more than tripled it. You cannot write a decent farm program that way. They painted themselves in the corner.

So instead of bringing a farm bill to the floor, which we have always done before, for the first time in history

they threw it into a reconciliation bill and hoped nobody would notice.

Their approach is to say to farmers, do not worry. If you are a family farmer in trouble, move to downtown. That is their answer.

It is not an answer for North Dakota, in my judgment. A lot of farm families rely on us writing a decent family farm program. These people work hard, and all they are asking for is a fair shake.

We ought not to ask them to bear the entire burden of all the budget cuts. They have had a 60 percent cut in support prices alone in recent years. Now we are told to take a much higher proportion of cuts than virtually any other area of the Federal budget.

Frankly, it is not fair and it is not right. It ought not be done.

Mr. BAUCUS. I yield 3 minutes to the Senator from Vermont.

Mr. LEAHY. Mr. President, 2 weeks ago I spent a crisp Monday morning at Claude Bourbeau's farm in St. Albans, VT, with Secretary Dan Glickman and a number of Vermont dairy farmers. I wanted to give him a chance to visit with some hard-working honest folks who will be severely affected by this budget bill.

Many of those farmers are concerned about this budget. I am too. I told the farmers that they lose thousands of dollars a year in revenue under the Senate Republican plan.

I asked the farmers, ''Which of you could afford a cut like that?'' Not a single hand went up.

It turns out that I was underestimating the impact when I was in Vermont. Just this morning, the Food and Agricultural Policy Research Institute and Texas A&M University released a new study.

This new, independent study says that under the Senate Republican plan, a typical 70-cow dairy farmer in Vermont would see net cash income fall by $9,050—from $31,120 to $22,070—in the next year. The House Republican plan is even worse—it would cost a typical farmer $17,850. Farm income would decline from $31,120 in 1995 to $13,270 in 1996. Under these plans, typical dairy farmers will lose 30 to 60 percent of their annual incomes. These farmers are already working dawn to dusk just to get by.

These numbers are consistent with a new analysis that USDA released a couple of days ago.

When those farmers in St. Albans hear how bad these cuts are, they will be stunned.

This budget is a war on rural America in many ways.

Over 27,000 working families in Vermont alone will see their taxes increase because the Republicans are scaling back the earned income tax credit.

The typical rural hospital will lose $5 million a year or more in Medicare. In rural Vermont, doctors and hospitals will lose $290 million in Medicare funds. I am afraid that doctors will simply abandon the small towns.

Schools in rural Vermont will lose $1.2 million in education funding. Our schools cannot afford that kind of hit.

Republicans want to create giant tax breaks for rich people and big corporations. The average rural family is not wealthy enough to benefit from the Republican budget. In Vermont, 63 percent of taxpayers earn less than $30,000—those are the people who will see their taxes increase.

According to Congressional Research Service, over half of all heads of households working in the agricultural sector qualify for the earned income tax credit, which Republicans cut.

In 1994, 328,000 farm families qualified for the EITC. Many of these were farm laborers, but 100,000 were farm operators and managers. Over one-third of all farm operators and managers nationwide will see their taxes increase under this Republican budget.

This Nation's farmers are struggling, and this budget says to them, ''Tough luck.''

The Finance Committee cut the EITC but it passed over $200 billion in tax breaks. Most of those tax breaks will benefit families earning over $100,000 a year. Only 3 percent of rural households earn that kind of money.

Several Senators addressed the Chair.

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

The PRESIDING OFFICER. Four minutes.

Mr. BAUCUS. I yield to the Senator from North Dakota.

Mr. CONRAD. Mr. President, this plan for rural America is the equivalent of dropping a neutron bomb in the middle of rural America. Remember the neutron bomb? That is where the buildings remain standing but the people are gone. That is what will happen in much of rural America if this farm plan and this plan for rural America ever becomes law.

The Republican plan would force farmers off the land. In a low-price year, it would mean a 60 percent reduction in net returns to farmers in my State. It would close hospitals in rural areas. The hospital association in my State has just done a survey and they say 26 of the 30 rural hospitals in North Dakota would go to negative returns on their Medicare patients. It would shutter nursing homes and represents unilateral disarmament in the world trade battle over agricultural trade.

We would pull the rug out from our producers at the very time our competitors are already supporting their farmers at a level three times ours. That would be a profound mistake, not only for the rural parts of this country but for the trade balance of the United States.

Agriculture is one of the two areas in which we still enjoy a substantial trade surplus. We ought not to wave the white flag of surrender in this trade fight. We would never do it in a military confrontation. We should not do it in a trade battle.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, at this time I yield 5 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, obviously I rise to oppose the motion that is before us. It may be well intended, but let me tell you, the simple truth is that this amendment will hurt the very people, the very rural America, and the very family farms that, according to their statements, it is intended to help.

People on the other side of the aisle probably do not intend it this way, but the fact of the matter is, with their tax policy, they do not believe in taxation, they believe in confiscation. Because, when you leave high estate taxes, when you leave high capital gains taxes and the impact of inflation on each, you are in a situation where, when you tax inflation, it is confiscation and not taxation.

The estate tax laws, the way they are—and they have not been changed for 15 years; the capital gains tax laws, and they have not been changed since 1986—are tying up a lot of property in rural America that will not move because people are not going to pay confiscatory, high rates of taxation. One sure thing, if you do not need the income and you do not have to sell, you are not going to sell and give it all to the Federal Treasury, because in most of the farms of America, the lifetime of savings is tied up just to create an income and a job for one family.

So, if you want to help rural America, we have to transfer the property from one generation to another, and I do not know how you are going to do that if you do not do it by increasing the exemption and encouraging people to sell their property.

People suggest what we are doing in this reconciliation bill on farm policy is wrong.

The fact is that the President's budget is not good for agriculture because it does not achieve balance in the next 7 years.

The Food and Agriculture Policy Research Institute ran some numbers on the impact of a balanced budget on farm income. They estimate that by the year 2002, under a balanced budget scenario, farmers will save $2.3 billion per year due to expected reductions in interest rates. It is important to note that farming is a very capital-intensive industry and benefits greatly from low interest rates.

Furthermore, FAPRI's preliminary numbers indicate that farmers' cash flow will increase $300 million per year due to the increased economic activity resulting from the balanced budget.

So the net positive impact on farm income from a balanced budget will be $2.6 billion per year. This gain will be lost if we adopt the President's budget numbers.

Mr. President, another vital point that my Democratic colleagues fail to

mention is that their doomsday numbers on agriculture assume that the cuts will be made to the program as it is currently structured. They would want you to believe that the Republicans are taking $13.4 billion out of farmer's pockets.

This assumption reveals a lack of understanding about how farm programs work and a failure to recognize the important reforms contained in this bill. The next farm bill will significantly reduce the regulatory burden on farmers, allow farmers to plant for the marketplace, and continue to aggressively promote new markets and new uses for agriculture commodities.

Specifically, farmers will no longer be required to idle productive land because of a mandate from Washington. Furthermore, farmers will have the flexibility to produce whatever commodity they chose in response to market signals. These reform measures, along with reducing the regulatory burden and finding new markets for our products, will lead to an increase in farm income in the future.

It is true that Government payments to farmers will be reduced. But the future of U.S. agriculture must rest on the ability of farmers to earn income from the marketplace. The reforms to the farm programs contained in this budget reconciliation package achieve this goal and will allow our farmers to flourish.

So I urge you to vote against this motion. I yield the floor and yield the remainder of my time.

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

Mr. COVERDELL. Mr. President, I yield 5 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, we have moved away again a little bit and have gone into posturing this afternoon, I guess not unusually. There has been a good deal of misinformation floating around this budget and its effect on rural areas with respect to health care. Contrary to what we have heard, there are several provisions designed to recruit providers and to ensure that 24-hour emergency care is available, which we have not had in my State, even though the Senator from Montana has had some in his.

It is interesting, also, that several of the provisions talked about here my friends on the other side of the aisle supported last year when they were in the Clinton health care plan—reducing the updates for inpatient hospital services, section 4101. The Republican plan does not apply 2 percent reductions to all hospitals like the Clinton health care plan did. Rather, it receives the 1 percent reduction.

The copayment for health care services—this is a fee we have heard a great deal about—somehow it was not as devastating last year when it was in Clinton health care plan, section 4134.

But, happily, there are a number of provisions that are most helpful. One is the limited services hospitals. Frankly, there are going to be a continuing number of these in rural areas. With hospitals that are built relatively close together, you simply cannot support the hospital as a coservice hospital because there is not enough utilization. And we have had some experience with this. Under this bill, they can be reorganized and downsized into emergency rooms, or stabilizing facilities, and be reimbursed by HCFA—that is a very important change—so that you will have the facility in the town that cannot afford to have a full-blown hospital.

Medicare-dependent hospitals. The Clinton 1993 budget let this program expire, but the Republican plan reinstates it. The purpose is to assist high Medicare patient loads in Iowa, Wisconsin, Kansas, and other Midwest States. But it also has the extension of the sole community hospital. The Republican plan plans to extend these special payments to hospitals that have 50 beds or less and are 35 miles or more away from the nearest hospital. Wyoming, Montana, Idaho, and other Rocky Mountain States receive the most money.

Medicare HMO payments. It intends to put these on an equal footing and to put some parity in these payments. These HMO payments in Medicare were based on the fee-for-service history. In one instance, in Bronx County in New York, the payment was $678 a month as opposed to South Dakota where it was $177. We need to find some equity in that. This program does that.

Medicare bonus payments, payments to primary care physicians to help hold primary care providers in rural areas, a 10- to 20-percent increase there if they practice in health care professional shortage areas.

These are the things that are in this bill to help rural health areas. Specifically, we have been working on it for several years with our rural health caucus, both in the House and in the Senate.

Telemedicine grants. We are going to find that we can save a great deal of money and provide better services by using telemedicine. There are some grants here that allow for that to be developed as well as to develop systems within rural States to deliver services.

So, Mr. President, contrary to what we have been hearing for the last few minutes, there are some substantial rural health additions to assist in delivering rural health services.

I urge the defeat of this amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield now to our distinguished leader in agriculture, a strong spokesman in our country for agriculture. I yield 2½ minutes and to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. BAUCUS. I yield the remaining time.

Mr. HARKIN. Mr. President, I thank the Senator for yielding.

Mr. President, in times past, when rural America was hit with droughts or floods, we brought disaster bills to the floor of the Congress. These bills were to ease the suffering of rural communities in hard times and to help stop disasters.

Yesterday morning we were handed this, a brand new 2,000-page disaster bill. But this bill does not cure a disaster in rural America; it provokes one. This is a disaster bill for agriculture. We were supposed to have a farm bill this year with a full debate on a sound food and agriculture policy for the Nation. Instead, agriculture has now been slipped into these 2,000 pages—I bet no one has really read the darned thing—and we have had no opportunity for real debate or amendments.

Once again, agriculture is being forced to take unfair and unreasonable cuts amounting to 25 percent over the next 7 years —even though agriculture has already been reduced significantly and commodity programs amount to about one-half of 1 percent of the budget. One-half of 1 percent, but commodity programs take a 25 percent cut over the next 7 years. Tell me if that is fair.

This is a disaster bill for rural health care. We all know that access to quality, affordable health care in rural communities has been a serious problem for years—especially for seniors. This disaster bill, with its drastic Medicare cuts, makes it even worse in rural America.

This is a disaster bill for America's farm families, who are already having a tough time making ends meet. Net farm income in real dollar terms will be at its lowest level this year since 1986, in the depths of the farm crisis. This disaster bill makes it worse by lowering farm income another $9 billion, according to USDA estimates.

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

The majority controls 15 minutes 30 seconds.

Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I think we are in the process of trying to work out a unanimous-consent agreement that will start us voting. So I am going to suggest the absence of a quorum.

Mr. HARKIN. May I finish my statement? May I have enough time to finish my statement?

Mr. DOMENICI. How long does the Senator wish to speak?

Mr. HARKIN. For a minute and a half. I was on a roll, and I did not want to stop.

Mr. DOMENICI. Of course; 2 minutes. Can the Senator pick up the roll?

Mr. HARKIN. I will pick up the roll.

The PRESIDING OFFICER. The Senator from Iowa is yielded 2 minutes.

Mr. HARKIN. I thank the chairman for yielding me an additional amount of time because I did want to make another point—that this 2,000-page bill really destroys our basic commodity programs that we have had to put a safety net under our farm families. It puts a hard cap on deficiency payment rates, doubles the percentage of unpaid base acreage and decimates USDA's ability to respond to price-depressing surpluses.

What if commodity prices and farm income fall as they did in the 1980s? Under this disaster bill, if corn prices fall to $2 a bushel an Iowa farmer with a 350-acre corn base—which is a modest size—would lose over $10,000 of income protection compared to the current farm bill. And, if corn prices fell to $1.80 a bushel, which is not out of the question, that farmer would lose over $17,000 in income protection compared to what we have now in the law.

Also, this is a disaster bill for hungry kids. The nutrition cuts in this bill are excessive and unsupportable. It is unconscionable that this bill is cutting our commitment to school lunches, school breakfasts, summer meals, and the special milk program.

Mr. President, these drastic cuts to rural America are driven by ideology and not by common sense. They are unfair, unreasonable, and unconscionable.

Enough is enough. Rural America is already paying its fair share for deficit reduction. So this amendment offered by the Senator from Montana is to send this disaster bill back to the Finance Committee with instructions to pare back the upper income tax windfalls, and to reduce the assault on rural America.

It is time, Mr. President, to put common sense ahead of ideology and to put the interests of rural communities over the interests of a privileged few.

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

Mr. COVERDELL. Mr. President, our side yields back its time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The 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.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. I have been informed by Senator DASCHLE, the Democratic leader, that they will limit their amendments that they will offer after all time has expired, and with that commitment I now ask unanimous consent that all first-degree amendments pending to motions to recommit and all pending second-degree amendments be withdrawn.

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

Mr. DOLE. This will leave the following issues that need to be disposed of by rollcall votes that have been debated yesterday and up to this point today: The Rockefeller motion concerning Medicare, followed by the Abraham amendment concerning Medicare fraud, and the Bradley motion concerning EITC; the Graham, of Florida, motion concerning Medicaid; Kennedy amendment concerning education; Bumpers motion concerning deficit reduction; Baucus motion concerning rural restoration.

Therefore, I ask unanimous consent that all votes in this sequence after the first vote be limited to 10 minutes in length, with 2 minutes for explanation between each vote to be equally divided in the usual form.

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

Mr. DOLE. I further ask that Senator KASSEBAUM or her designee now be recognized to offer a first-degree amendment concerning education and the time be limited to 10 minutes equally divided in the usual form, with no amendments in order to the amendment, and the vote occur immediately following the vote on or in relation to the Kennedy amendment in the voting sequence.

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

Mr. DOLE. I further ask unanimous consent that the next 10 Republican amendments and the next 10 Democratic amendments be limited to 10 minutes equally divided in the usual form, with no amendments in order to any of the next 20 amendments offered.

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

Mr. DOLE. Let me explain to our colleague where we go after the voting sequence that will occur after 10 minutes of debate by Senator KASSEBAUM or her designee. Republicans will be entitled to offer the next three amendments in a row as a result of a previous agreement. Then each side will alternate until the remaining amendments, limited to 10 minutes each, have been debated.

The Senate will then begin voting on those debated amendments, and then begin voting on all amendments Members are going to offer which would have no debate time. We would just offer it. There will be a little explanation. It will be the majority leader's intention to keep the Senate in until approximately midnight tonight and resume the voting sequence until concluded on Friday.

We could vary a little bit either way this evening depending on how much progress we make. And I have discussed this with the Democratic leader. It is our hope that we could finish voting and have final passage by midafternoon tomorrow. That will depend, of course, on whether Members on the other side feel compelled to continue to offer amendment after amendment after amendment when all time has expired. But that will be determined later. And I thank the Democratic leader for his cooperation.

I will be happy to yield to the Senator from South Dakota.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. I thank the majority leader for that explanation, and that is in keeping with our agreement. We have three tiers of amendments. We have just completed our work on the first tier, for which now there will be votes, without second-degree amendments.

Once those votes have been completed, we will go to the second tier, for which there will be debate of up to 10 minutes on either side. I should say 10 minutes total for 10 amendments on the Democratic side and 10 amendments on the Republican side.

That will then expire all of the time. We will then go to the third tier of amendments for which there will be no time, and we will encourage Senators to write the purpose of their amendments clearly enough to allow the clerk to read the purpose and give us the opportunity then to vote.

We would also expect that on occasion the managers might find the need to explain a particular amendment. But there would be no time for discussion of that third tier set of amendments.

I think this is a very good agreement. It is what we had hoped to achieve now for some time. I appreciate the cooperation of all of our colleagues on both sides of the aisle. I think this will allow us to accommodate our work and accommodate many of the priorities we have been talking about now for several hours.

Mr. DOLE. Mr. President, I just say to my colleagues this would not be a good day to be absent. Neither will tomorrow be a good day to be absent. I assume there will be anywhere from 40 to 60 votes between now and tomorrow afternoon.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. May I inquire of the majority leader when the vote on the Bumpers deficit reduction amendment and Baucus rural restoration amendments will occur. I was a little bit confused as I listened to the leader read the list and then say the Kassebaum amendment would come up after the Kennedy amendment. There was an ambiguous point as to when the vote on the Bumpers amendment and vote on the Baucus amendment would occur.

Mr. DOLE. They will occur after the Kassebaum amendment or her designee. So it will be KASSEBAUM or her designee, then BUMPERS, then BAUCUS.

Mr. BAUCUS. And then the other second-tier amendments?

Mr. DOLE. Then second-tier amendments. And then third-tier amendments, which we hope will find a way to the wastebasket.

Mr. DASCHLE. Mr. President, just one clarification, I ask the majority leader. I would expect that we will vote en bloc on the second tier. I wonder if it would not be appropriate to have a minute, 30 seconds on a side, just to remind everybody what that series of second-tier votes are prior to the time we vote. We may have done that. I do not have the agreement in front of me. We are going to do that on the first tier with 2 minutes on a side. We vote on the second tier and have 30 seconds on a side just to be sure people understand.

Mr. DOLE. I so amend my request.

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

Mr. DOLE. One minute equally divided.

The PRESIDING OFFICER. One minute equally divided.

Mr. DOLE. Divided very quickly.

Mr. DASCHLE. That is right.

Mr. DOMENICI. Could I ask a question?

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. We have agreed to this, have we not?

The PRESIDING OFFICER. Yes.

Mr. DOMENICI. Could I ask, yesterday, when the Abraham amendment was being discussed on fraud and abuse, we heard a comment from your side that it would be accepted. If that is still the case, we can just save a little bit of time. We are up against time constraints. I wonder if that is still the case.

Mr. DASCHLE. I would want to consult with our ranking member. It is my understanding we would be able to accept it, but let me confirm that after consultation.

Mr. DOMENICI. In any event, we are not precluding that and if the Senator could find that out, we would save a little bit of time.

Mr. President, I am informed that the other side ought not work too hard on that request. It may be that we do not want you to say yes to our request.

Mr. DASCHLE. Mr. President, I would ask that the quorum call not be taken from either side as it relates to the time available on the bill, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The quorum call at this time will not be charged.

Mr. DOMENICI. It would not be because a vote is pending in any event. We are just following the rules?

The PRESIDING OFFICER. The Senator from New Mexico is correct.

The absence of a quorum has been noted. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the quorum call be dispensed with.

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

Mr. DASCHLE. I yield 3 minutes to the distinguished Senator from Hawaii off the bill.

The PRESIDING OFFICER. The Senator from Hawaii has been yielded 3 minutes.

Mr. AKAKA. Mr. President, I rise to express my deep concern about the provisions in the reconciliation bill relating to Medicare and Medicaid. In my judgment, the proposals are a danger to the health of millions of Americans. House and Senate Republicans have called for a reduction of roughly $450 billion in health care expenditures over the next 7 years.

They argue that they are merely reducing program growth, not cutting Medicare. But the facts tell us a different story. We have very good estimates of what it will cost to fund the Medicare program over the next 7 years. The fact is that more people will become eligible and we will continue to have health care inflation.

The Republican proposal would cut Medicare below both the medical inflation rate and the private sector rate by cutting $270 billion, for tax breaks, from what is needed to fund the Medicare program. We are not just scaling back Medicare, we are eroding its foundation.

Medicare experts estimate that keeping part A solvent through the year 2006 requires $89 billion in cuts, not the $270 billion called for under the GOP proposal. Those who want to cut Medicare argue that cuts are necessary to get us to a balanced budget in 7 years. That puzzles me.

If the objective of this bill is to balance the budget, why are we simultaneously considering a plan to cut taxes by $245 billion over the same period? Clearly, the vast majority of the cuts are not needed to keep Medicare solvent, but are needed to pay for new tax breaks.

I am deeply concerned about the size of the Medicare and Medicaid cuts, and the fact that the savings will be diverted to provide tax breaks for the wealthy. But my foremost concern is the impact these proposals will have on the poor, elderly, and the disabled who will be drastically hurt.

Under the Republican proposal, Medicare premiums and deductibles will increase, and the quality and availability of care will be seriously compromised. Seventy-five and eighty-five percent of Medicare beneficiaries have incomes under $25,000, and the increase in out-of-pocket costs could make Medicare coverage unaffordable for many. Furthermore, the portion of cuts that do not fall on beneficiaries directly will be borne by the providers who deliver Medicare services. These cuts will be shifted to the rest of the population in the form of higher medical bills and higher health insurance costs.

I would also like to discuss briefly the provisions of the bill pertaining to the Medicaid Program. In addition to cutting $182 billion in Medicaid over 7 years, the proposal before us replaces the current Medicaid Program with a block grant capped at fixed dollar amounts each year. The bill would offer only minimal coverage and benefits, eliminate all Federal Standards for providers and delivery systems, and abolish the Federal standards set for nursing homes and institutions caring for the mentally retarded.

In 1987, national standards for nursing home care were established with broad bipartisan support. These standards were designed to protect nursing home patients because of the horrendous treatment many were receiving and because State regulations were inadequate. Yet the Republican plan to cut Medicaid by $182 billion contains a provision repealing the national standards for nursing homes, even though these standards have improved care substantially.

Mr. President, we all agree that we must balance the Federal budget. However, we must do it the right way. We must ensure a basic safety net and make adequate investments for the future. I question the priorities set forth in this legislation. This bill does not safeguard health care for our Nation's elderly, poor, or disabled; it does not ensure proper care of vulnerable people in nursing homes; and it certainly does not make adequate investments in our future.

Mr. President, I sincerely hope that we recognize the tremendous benefits these programs have made in our society and urge that we continue the fight for dignity and security for our Nation's most vulnerable as we work to balance the Federal budget.

I yield the floor.

Mr. LEAHY. Mr. President, this budget bill is a raw deal for Vermont. It makes deep and unnecessary cuts in Medicaid, Medicare, student loans, and dairy programs that will devastate our economy for years to come. And it will raises taxes on 63 percent of working Vermont families. This is the wrong way to try to balance the budget.

This bill cuts Medicaid by $182 billion over the next 7 years and turns this vital program into a block grant to the States. Over the next 7 years, these cuts will reduce Federal Medicaid payments to Vermont by $205 million. This plan defaults on our guarantee that seniors would receive health care assistance when they need it the most.

Vermont's acceptance of this enormous responsibility would leave the State hundreds of millions of dollars short of funds to provide necessary health care over the next 7 years.

The plan also eliminates requirements for nursing homes to provide proper health standards, a loophole that will be seized by some to lower the quality of care and life in these institutions.

It is not an easy decision to place a parent or a spouse in a nursing home, but often it is the only alternative to ensure that they get proper care. And it will be even more difficult if the Republican plan prevails.

The bill cuts Medicare by $270 billion over the next 7 years. It will cut payment rates to providers and hospitals,

make seniors pay higher premiums and increase deductibles. Vermont will lose $356 million in Medicare payments over the next 7 years, losing $88 million in 2002 alone.

In Vermont, 73 percent of our elderly population have incomes of less than $15,000. And 1 dollar of every 5 dollars of that fixed income is spent on health care. Yet Republicans are cutting Medicare and Medicaid to finance tax cuts that will mostly benefit Americans making over $100,000 a year—less than 3 percent of Vermonters make that kind of money.

Republicans have the gall to tell us that these massive cuts are supposed to ''preserve, protect and strengthen Medicare.'' I think William Wells of Rutland, Vermont, who recently wrote to me, had the right response to this claim.

With true Vermont common sense, Mr. Wells wrote: I have heard politicians say ''they want to save Medicare.'' Their way of saving Medicare is like a hunter 'saving' a moose by shooting it and having it mounted by a taxidermist. It is still there but no longer functional.

Let us be honest with the American people. Congress can balance the Medicare budget and keep the system solvent—but the cuts must be gradual and spread over a longer period of time.

For 30 years, Medicare and Medicaid have contributed greatly to the decline in poverty and improved the health of seniors in America. We are now asked to turn our backs on the elderly and distribute the ''savings'' among our wealthiest citizens.

Mr. President, I will oppose any plan that attempts to dismantle the health care delivery system that has served our Nation's seniors so well.

This bill also makes short-sighted cuts in education. It cuts student loan programs by $10 billion over the next 7 years. Students will be hit with 70 percent of these cuts—increasing the costs to the 20,000 Vermonters receiving higher education and their families by at least $5,800 over the life of a student loan. Because of rising tuition costs, Congress should be working to make education more affordable—not less.

These additional financial burdens will discourage many students to continue their education after high school. The Contract With America has sealed the fate of the next generation of Americans. They may never have the chance of post-high-school training or a college education—the key to a better paying job.

This bill also makes deep cuts in our dairy program. The Senate plan scraps the price support system for butter and nonfat milk and sharply limits the price supports for cheese. Under the bill, the average Vermont dairy farm will lose more than $7,000 a year in revenue. These dairy cuts will deal another blow to Vermont's dwindling family farms.

At a time when many working Vermonters are struggling to make ends meet, the Senate Republican budget would hike Federal taxes on low- and moderate-income families by cutting $43 billion from the earned income tax credit—a program that rewards work and compensates for low-wages.

This Federal tax increase will also raise State taxes in seven states, including Vermont, that have a State earned income tax credit tied to the federal credit. As a result, 27,000 Vermont working families earning less than $30,000 a year—about 63 percent of Vermont taxpayers—will be forced to pay higher taxes. This is a double whammy on working families.

Mr. President, this budget bill is a raw deal for Vermont. It will leave my home State in an economy crisis for years to come. And I will urge the President to veto it.

Mr. HATFIELD. Mr. President, the Balanced Budget Reconciliation Act of 1995 is proof that this Congress is willing to make the difficult decisions that are needed to balance our Federal budget. That there is agreement between Congress and the executive branch, between Republicans and Democrats, and between the House of Representatives and the Senate, of the need to balance the budget at a date certain is a victory in and of itself. While we may not all agree on how to accomplish that feat, we are at least all proceeding toward a common goal.

This legislation continues the effort that is already underway in the Appropriations Committee to balance the budget. To date the Appropriations Committee has reduced Federal spending by $24 billion. My colleagues who have worked to put this legislation together know full well that reducing spending is not an easy task. However, given the size of the national debt, all members know that we must act now and make those tough choices.

The prime example that we are ready to make tough choices is proven in this bill's attempt to reign in the exponential growth in entitlement spending. Earlier this year I stated on this floor that I was sobered by the demise of the Bipartisan Commission on Entitlements and Tax Reform. The Commission was unable to agree on a specific set of recommendations on how to address the issue of continued entitlement growth. I am very happy that the taboo of reforming entitlements may finally be gone. Entitlement spending will continue to grow from 49 percent of the Federal budget in 1995 to 59 percent of the total budget in 2002. Based on these numbers it is clear the entitlement beast has not been slain, but at least the Balanced Budget Reconciliation Act of 1995 takes us in the right direction on the entitlement issue.

Like many Members in this chamber, I have some disagreements with the spending decisions in this legislation ad drafted. One of those areas of disagreement relates to the $11 billion reduction in education spending over 7 years. Some members have argued that this cut is small in comparison to total spending in this area, or that the impact is painless on a per person basis. What these arguments fail to consider is the critical role education plays in the success of the Nation's children, the success of this Nation's industries, and the success of this Nation's standing in the world community. Education is an investment in the future. The Senate would be shortsighted to cut this investment short. I plan to work with my colleagues to ensure that this provision can be fixed before the Senate finishes its work on this legislation.

I am also concerned that this legislation deals a blow to States that have been innovative in addressing the rise in health care costs. The State of Oregon began an experiment in 1994 to expand health care coverage to more Oregonians. The Oregon Health Plan, as it is known, has increased access to basic health care to more than 120,000 low-income Oregonians. This has been accomplished by making rational choices about the effectiveness of health care services and making the delivery system more efficient. Already Oregon has seen significant results. Our costs per beneficiary are 10 percent less than the national average; hospital charity care has decreased by 30 percent; emergency room visits are down by over 5 percent; and our welfare caseloads have decreased by 8 percent in the past year. Unfortunately the legislation before the Senate would inadvertently penalize Oregon for being innovative in its delivery of medical services. I am working with the leadership to ensure that this type of creativity and effective governing is not penalized.

There are a number of tough choices in this legislation and the authors should be commended for their work. However, given the fact that 15 percent of the current budget is spent to pay interest on the debt, these tough choices need to be made. We have before us a proposal that will do the job. While I would like to see some reordering of priorities in the legislation, I am looking forward to working with my colleagues to assure that a balanced budget becomes a reality.

PENSION REVERSIONS

Mr. BINGAMAN. Mr. President, I rise today in opposition to a provision in the budget reconciliation legislation before us that could put at risk the pensions of hard-working Americans. Specifically, I refer to the provision allowing corporations to take money out of funds deemed overfunded by the IRS for deductibility purposes, and use that money for other employee benefits, without paying an excise tax. Of course, because money transferred in this manner is fungible, the money could actually be used for almost any purpose.

The principal problem with this provision is that pensions funds considered

overfunded by IRS for tax policy consideration are not overfunded on an actuarial termination basis. As I understand it, this means that while the plans have enough money to meet their current ongoing obligations, if for some reason the plan terminated, the people who had paid into that plan would have no guarantee that the plan could provide the pension benefits that they earned over the years. In such a case, the U.S. taxpayer, through the Pension Benefit Guarantee Corporation [PBGC], would be forced to step in and pay the benefits.

Mr. President, we know that workers are concerned about their ability to retire with a decent standard of living. We also know that our Nation is suffering from a lack of savings and capital for economic expansion, and that institutional investors like pension funds are the single largest investors in capital. It therefore makes absolutely no sense to me to provide an incentive to decrease pension security, savings, and available capital through provisions like the one included in the budget reconciliation legislation before us.

I think we should be doing more to promote sound pension plans, and expand coverage for American workers. This provision seems to me to be doing just the opposite: putting existing plans at greater risk without expanding coverage. In the time since this and a similar House provision have come to the public's attention, numerous pension experts, including the American Academy of Actuaries and the PBGC, have expressed concern about the effect this provision could have on pension fund soundness. I have also heard from constituents expressing similar concerns. For all of these reasons, I urge my colleagues to strike this provision.

Mr. BOND. Mr. President, in many respects this is an amazing debate we are having today, a debate I was not sure I would ever see—should we, or should we not, pass a bill which will get our budget into balance over the next 7 years.

It is historic. It is bold. It is unprecedented. And judging by the reaction, it is real.

Unfortunately, $5 trillion in debt has piled up waiting for this day, so even with this action, we are still passing on a huge debt to our children and their children.

When I first got to Washington, after coming from State government where we had to balance the budget every year, I was amazed at the cavalier attitude taken by so many about budget crisis.

It did not take me long to learn that walking away from budget problems had become so ingrained that success was defined as holding the deficit to only $200 billion—meaning we only added $1 trillion to the debt every 5 years.

Unfortunately, that is where President Clinton remains today. While we are willing to put before the public the real questions—when do we stop adding to the debt? When do we get serious about slowing the growth of runaway programs? When will Congress be willing to actually say No to a special interest, or a pet program and say ''Sorry, I'm worried about adding to my kid's debt.''

No one said it would be easy—but with the leadership of Senator DOMENICI, and the willingness of Members to stand up and vote for action instead of just talking a good game—this Senate will soon take that step.

Make no mistake, the step is a big one, as for the first time in 25 years Congress has the opportunity to pass a budget which will get us to a surplus—rather than just keep adding to our debt.

The budget before us is tough. It sets priorities. It recognizes that government cannot do it all. And it makes the statement that the time has come for leaders of today to start paying attention to the financial and economic devastation thy are creating for tomorrow's generations.

We have heard many speeches about the need to cut spending, reduce the deficit, and get our Nation's books into balance. Everyone who looks at our nearly $5 trillion debt recognizes the need to do something so that we don't keep piling on that debt for our children and grandchildren.

Over the next few days the American people will have a rare opportunity to see exactly what the political leadership's visions for our country's future are.

Too often Congress legislates for the present, ignoring the costs for the future. Political expediency replaces thoughtful debate, and at the end of the day it is with shock and dismay that the public finally realizes what has occurred—and recognizes what additional debt they or their children will be forced to pay.

It takes a long time to build up a $5 trillion debt. And even starting today it will take 7 years to get us to a balance, meaning that we won't even begin paying off a dime of debt until 2002.

Some would like us to put off the tough choices for a little longer. Others have abandoned finding a solution to the real budget crisis we are facing in their zeal to make political points. And still others claim to be on board with the concept of balancing the budget—they just don't like our approach.

But as I have said before—talk is cheap. If you say you want to balance the budget, let's see your plan.

If you say you understand Medicare is going broke, and must be fixed, let's see your plan.

Unfortunately, what we have seen and heard so far is much heat—and no light.

Medicare is one of the best examples. Medicare today is paying out in claims more than it is collecting in premiums. It is only because of the interest earned on the trust fund's surplus that Medicare is not insolvent right at this moment.

This means that as I speak, for every dollar a senior is paying in, more than a dollar in claims is being paid out. So why is everyone not saying stop, something has to be done?

Next year even including the interest earned on the trust fund's won't be enough to pay out all the claims. Thus next year Medicare will be insolvent, and it will be forced to start eating into its rainy day fund—the money which has been built up in order to be available for the baby boomers who start to retire in the next decade.

And then if nothing is done, by the year 2002 the surplus will be gone and the entire program will be bankrupt and will be forced to shut down.

So again I ask, why is the President not saying we must do something to fix this drastic problem—not just delay it again like has been done so often before—but actually fix it?

Why are my colleagues in the Democratic party not saying let us get to work on this problem?

Instead they want to paper over the problems in Medicare, only fiddling around the edges, while making no effort to make fundamental changes in the program as we realize must be done. We want to make savings by giving seniors a real choice—they offer a 2-year bandaid to get them beyond the next election.

So what does our bill do? It takes on the task of reforming and overhauling Medicare—both to protect it for today's seniors, as well as preserve it for tomorrow's. It also expands choices, and bring the program of the 1960's into the health care system of the 1990's. And it gives us 25 years of additional solvency—versus the 25 months of the Democrats' plan.

How much clearer can the choice be? A thoughtful long-term solution—or a get-me-through one more election BandAid.

Mr. President this debate is much bigger than Medicare. It is much bigger than Medicaid, agriculture, civil service retirement, or welfare. It is about what financial legacy we want to leave to our next generations.

It is about whether people believe that $5 trillion in debt is enough, and whether we in Congress have the courage to hit the spending brakes.

I hope we do. And hope that the President will find the courage to do the same.

Finally, I would like to express my opposition to the amendment that the senior senator from Arizona has indicated he plans to offer.

That amendment would, allegedly, eliminate 12 pork programs—a goal I would support if it delivered on that promise. Unfortunately, however, the amendment would target several programs which are critical to our international competitiveness and our ability to create high-paying export jobs. Let me quickly touch on just a few examples:

First, the amendment would require the Export Import Bank to raise loan

fees which would have the impact of making Exim financing uncompetitive vis-a-vis other countries' export finance agencies. That means U.S. companies will lose deals and U.S. workers will lose jobs.

Second, it would reimpose recoupment fees on commercial sales of military equipment overseas. The Bush administration eliminated this fee because it was making U.S. export uncompetitive and costing jobs. It makes no sense to reimpose it.

Third, it would cancel NASA's subsonic and supersonic research programs. These programs are aimed at ensuring U.S. aerospace companies retain their technological edge into the 21st century. If it becomes technically possible, it will be economically viable to build only one supersonic airplane. I want that plane to be built by Boeing or McDonnell Douglas, not by Airbus.

CAPITAL GAINS—FAIRNESS

Mr. HATCH. Mr. President, we need to consider some very important facts concerning the fairness of the capital gains tax rate reduction in the reconciliation bill before us.

We have heard some statements here on the Senate floor over the past few days by some of our colleagues who believe that a broad-based capital gains tax rate reduction somehow favors the rich at the expense of middle- and lower-income taxpayers. I want to set the record straight on this issue.

WHO PAYS CAPITAL GAINS TAXES?

First, Mr. President, let us start by examining who pays capital gains taxes in this country.

The fact of the matter is that most of the tax returns reporting capital gains come from taxpayers in the lower- and middle-income categories.

Since there are varying views as to where the middle-income category begins and ends, I have prepared two pie charts contained within chart 1 to illustrate who these taxpayers are.

The pie on the left shows that, on average, from 1985 to 1992, 62 percent of all returns reporting capital gains came from those reporting $50,000 or less of adjusted gross income [AGI]. I repeat, 62 percent. This amounted to more than 5½ million taxpayers per year.

The pie on the right, Mr. President, shows the same information for taxpayers with higher incomes, but still within what most would consider as the middle-income category.

As you can see, 79 percent of all returns reporting capital gains came from those reporting $75,000 or less of AGI. On average, this was over 7 million taxpayers per year.

Capital gains realization is hardly the exclusive domain of the rich.

Actually, these figures dramatically understate the number of people in the lower- and middle-income categories who will benefit from the capital gains deduction.

It is estimated that about 44 percent of all people reporting capital gains recognize such gains in only 1 out of 5 years, on average.

In 1986 alone, of the 7.6 million returns reporting capital gains, 3.1 million of these taxpayers reported no capital gains in the previous year.

THE ''OCCASIONAL RECOGNITION PHENOMENON''

Since many taxpayers do not have capital gains each year, it is obvious that there are millions more of lower- and middle-income taxpayers than this chart indicates who will benefit from a lower capital gains tax rate.

This occasional recognition phenomenon also illustrates why the numbers cited for the rich are consistently overstated by capital gains tax cut opponents.

By only looking at 1-year segments, capital gains tax cut opponents erroneously conclude that once a taxpayer experiences an unusually large capital gains recognition in a particular year, he or she will stay in the rich category forever. Such is simply not the case.

Take, for example, a typical farming couple in Cache County, UT, who has struggled over the years to make ends meet and finally decides to sell the farm and move to the warmer climate of southern Utah.

Even though this couple may never have reported more than $30,000 of farming income in any given year, in that 1 year of sale they will be lumped in with the rich because they reported a $250,000 of gain on the sale of their farm.

To conclude that this couple is rich because they realized a large capital gain in only 1 year of their life is ridiculous. Yet, this is exactly the basis for many of the statistics given by my friends on the other side of this issue.

One study looked at those reporting over $200,000 of income per year from 1981 to 1984. Taking just single-year snapshots of the realizations, such taxpayers accounted for almost 40 percent of all capital gains reported.

However, when the entire 4-year period was considered as a whole and the occasional nature of recognitions was taken into account, their proportional share dropped to just 22 percent.

Thus, the more years that are included in the comparison, the smaller the share of gains going to the so-called rich.

Let me repeat, Mr. President, studies that show lower- and middle-income taxpayers who receive an occasional larger capital gain as being rich are misleading.

OPPONENTS IGNORE BENEFIT TO LOWER- AND MIDDLE-CLASS TAXPAYERS

Now, I am the first to admit that some who are truly wealthy will benefit from a lower capital gains tax rate, and rightly so, as I will discuss in a few moments.

However, the impact of the benefits of a capital gains tax cut to the wealthy are greatly overstated, while the positive benefits to lower- and middle-income taxpayers are mostly ignored by those who oppose this change.

For example, a Treasury Department study estimates that nearly half of the dollar value of all capital gains are reported by taxpayers reporting wage and salary income of $50,000 or less.

Moreover, the same study estimates that three-fourths of all tax returns with capital gains are filed by taxpayers with wage and salary income of less than $50,000. Yet, to listen to capital gains tax opponents, one could conclude that only the rich would be affected by a lower rate.

Mr. President, to get a better feel for how many lower- and middle-income taxpayers will actually benefit from the capital gains deduction in this bill, consider the following.

It is estimated that about 12 million lower- and middle-income workers participate in some sort of stock equity plans with their employers—12 million.

Moreover, many millions of Americans own investments in stocks, bonds, and mutual funds. In fact, as of September 1994, there were 93.6 million mutual fund accounts in America. It is interesting to note that 52 percent of the 30.2 million families owning mutual funds report incomes of $50,000 or below and that 80 percent of those families report incomes of $75,000 or below. This is middle America. This is the teacher who married the police officer planning for their future.

In addition, millions of people in the lower- and middle-income categories own homes and rental properties that could be subject to capital gains taxes upon sale. This bill will benefit all of these taxpayers.

CAPITAL GAINS TAX RATE DIFFERENTIALS

Mr. President, it is well known that in 1986, Congress raised the capital gains tax rates on the rich, from a 20-percent top rate to a 28-percent top rate. What is lesser known, however, is that we raised capital gains taxes on middle-income taxpayers as well.

For example, a family of four earning the median income saw a 50-percent increase in their capital gains tax rate. A family of four earning twice the median income—and these would be the upper middle class rather than the rich—saw a 47 percent increase in their capital gains tax rate.

In 1990, Congress once again created a differential between the top tax rate on capital gains income and the top tax rate for ordinary income.

By putting in a new 31 percent bracket, but keeping the top rate on capital gains income at 28 percent, we once again began to favor capital gains income—for some.

The differential was further increased in 1993 when Congress created the 36 and 39.6 percent tax brackets and again capped the capital gains tax rate at 28 percent. The result is that taxpayers in the highest brackets currently enjoy a lower rate on capital gains, but those in the 15 percent and 28 percent brackets do not.

As you can see from chart 2, Mr. President, this bill remedies this situation by giving those in the lowest tax brackets the largest percentage reductions in their effective capital gains tax rates.

Note that the wealthiest Americans will get only a 25-percent decrease in their effective capital gains tax rates, while those in the lowest tax brackets will enjoy a full 50-percent reduction.

Not only will large investors receive incentives to create jobs, but this relief will now be enjoyed by smaller investors as well.

It is high time that lower- and middle-income families get some meaningful capital gains tax relief. For the first time in years, lower-income taxpayers will enjoy single digit rates of taxation on their capital gains.

INFLATION

One of the best reasons for a cut in the capital gains tax rate is that a sizeable portion of all capital gains reported are caused by inflation. In fact, economists estimate that on average, about half of all capital gains are inflationary in nature.

Mr. President, I have never heard anyone try to argue that taxing inflationary gains is fair—either for the rich or for anyone else. There is simply nothing fair about having to pay tax on inflationary gains.

In fact, a tax on inflationary capital gains is not a tax on income at all or even on the increase in the real value of the asset. It is purely a tax on capital, very much like the property tax, but assessed only when the property is sold.

This bill helps to ameliorate inflationary gains by providing a 50-percent capital gains deduction. In most cases, this should effectively nullify the tax on the inflation element. This is fair tax treatment—for everyone.

TAX DISTRIBUTION

Many of my colleagues on the other side of the aisle have expressed concern that the dollar amounts of a capital gains tax cut will go disproportionately to those in the highest tax brackets. Let me make three points about this, Mr. President.

First, despite the continual rantings and ravings by liberals about tax breaks for the rich, our tax system has gotten more and more progressive over the past years, as illustrated by chart 3.

Note that in 1993, the top 1 percent of all taxpayers paid almost 29 percent of all income taxes while the bottom 50 percent of all taxpayers paid less that 5 percent.

Since 1980, our income tax system has gotten much more progressive. If capital gains tax cut opponents think our system is so drastically unfair, I want to ask them a question: If these percentages do not satisfy you, what percentages will?

Second, many millions of American families currently pay no Federal income taxes at all. It makes little sense to talk about these people in terms of tax relief. A hundred percent of zero is still zero.

By definition, it is impossible to give income tax relief to those who pay no income taxes in the first place. If we want to talk about taking from higher-income taxpayers and giving to lower-income taxpayers, let us call it what it really is—welfare.

Third, opponents of capital gains tax relief must assume that wealthier taxpayers who realize capital gains take the money and bury it in the back yard or stuff it into a mattress.

Opponents ignore the fact that this money is almost always immediately put back into the economy, where it goes to work creating jobs and adding to investment capital available for business creation or expansion. The ultimate fairness of the cut in the capital gains tax is that economic and job opportunities will be enhanced for all Americans because of this bill.

In conclusion, Mr. President, for the reasons cited in chart 4, I firmly believe that the capital gains tax cut provisions in this bill are fair. They are fair for all American families because all American families will derive a great deal of benefit from them.

I sincerely hope that my colleagues will take the time to consider the points I have made and vote in favor of this much-needed reform to our tax law.

The bottom line, as I see it, is that our current capital gains tax rates are an effective tax on initiative, investment, and planning ahead—all things that we say we should encourage people to do.

It is time for our tax policy to reflect our national values.

Mr. President, I ask unanimous consent that the two tables referred to in my statement be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Chart No. 1—Who reports capital gains?

	Percent
AGI >$50,000, 3.4 million people	38
AGI of $50,000 or less, 5.5 million people	62
2.9 million people, AGI >$75,000	21
AGI of $75,000 or less, 7 million people	79

Source: Treasury Department.

CHART NO. 2—WHO ENJOYS THE GREATEST TAX RATE REDUCTION?

[In percent]

Income tax brackets:	39.6	36	31	28	15
Current capital gains tax rate	28	28	28	28	15
Effective rate under this bill:	21	18	15.5	14	7.5
Percentage Reduction:	25	36	45	50	50

* Assumes the Alternative Minimum tax applies.

CHART NO 4.—Why Is the Capital Gains Deduction Fair?

It gives the largest percentage decrease to those in the lower tax brackets.

Most of the returns filed showing capital gains come from lower- and middle income taxpayes.

It reverses the 1986 capital gains tax increase on the middle-class.

It reduces, if not eliminates, the cruel and unjustifiable tax on inflationary gains.

It stimulates the economy to create more jobs and opportunity for those on the lower rungs of the economic ladder.

PMA VICTORY

Mr. PRESSLER. Mr. President, I rise today to declare victory for rural community and small city electric ratepayers. I am pleased that both the House and the Senate budget reconciliation bills do not contain any language requiring a sale of the Southeastern, Southwestern or Western Power Marketing Administrations—collectively known as the PMAs. As I have stated on this floor many times before, this is a critical issue to my fellow South Dakotans.

As my colleagues know, during Senate consideration of the Budget Resolution earlier this year, my colleague from Montana, Senator BAUCUS, and I offered an amendment that expressed the Senate's opposition to the sale of the Southwestern, Southeastern and Western Area Power Administrations. The Senate voted overwhelmingly against a motion to table that amendment.

The balanced budget reconciliation bill now before us reflects the wishes of the Senate. The PMAs represent a government program that works. They provide affordable power to rural communities and small cities and still manage to turn a profit for the Federal Government.

As I have said again and again, sale of the PMAs would have a devastating effect on South Dakota citizens in rural communities and small cities—and on people across the country.

Public power serves many functions in South Dakota. As a sparsely populated State, utilities are faced with the challenge of how to get affordable electricity for those who live in small cities and rural communities where there are less than two people per mile of transmission line. Public power provides the solution.

Public power, purchased through the Western Area Power Administration, known as WAPA, costs South Dakotans an average of 2.5 cents less than the market rate. This lower cost is essential to encourage economic development in small cities and towns. It allows revenue to be reinvested in additional transmission lines, and better service. The availability of hydropower from the Missouri River to rural cooperatives and municipalities has helped to stabilize power rates. With 7,758 miles of transmission lines in the Pick-Sloan region, WAPA can serve 133,100 South Dakotans—without charging them an arm and a leg.

Public power has brought more than electricity to South Dakota. For example, Missouri Basin Municipal Power Agency, based in Sioux Falls, has embarked on a program offering incentives for planting trees. The goal is to plant at least one tree for each 112,500 meters in the Agency's membership territory.

Public power also brings new jobs to the communities it serves. In part due to the low cost of power from East River Electric, there are now three injection molding plants based in Madison, SD.

East River Electric also is involved in other economic development activities. It provides classes to help the

community attract new businesses, and offers grants for feasibility studies associated with economic development projects. South Dakota clearly has benefitted from the work of Jeff Nelson, the general manager of the East River Electric Power Cooperative.

Public power is a South Dakota success story. It is a source of innovation, development, and community pride. I am sure the same is true in other small cities and rural communities across America. That is why I fought against proposals to sell WAPA and two other power marketing administrations. The proposal to sell the PMAs was a budgetary smoke-and-mirrors effort to disguise a backdoor tax on rural and small city Americans.

In fact, a PMA sale would force South Dakotans—and public power consumers everywhere—to cover for the rest of America. Why? Because the sale of the PMAs could result in rate increases totaling more than $47 million.

Some argued that the sale of the PMAs would generate revenue for the Federal Government. Would it? Let us look at the facts.

PMAs still owe almost $15 billion in principal. Also, more than $9 billion in interest already has been paid to the Federal Government. By selling the PMAs, the government would forfeit future interest earning on the outstanding loans.

In fact, the Congressional Budget Office [CBO] recently released its scoring of a House proposal to sell the Southeastern Power Administration [SEPA]. The proposal, approved by the House Transportation and Natural Resources Committees, limited the sale only to actual power generation and the right to market the power.

CBO scored the House proposal to sell SEPA at zero—showing that the sale would cause no gain or loss to the Treasury. In other words, CBO certified what I have said all along—that a PMA sale would not generate net revenue.

In addition, CBO estimated that the proposal to sell SEPA would cause rates to increase up to 75 percent in some areas. CBO noted that the supposed rate ''cap'' included in the House proposal would do nothing to protect 95 percent of the rural electric cooperatives or municipal utilities that buy power from SEPA from significant rate increases. This proves what South Dakotans have known all along—selling the PMAs would rob rural ratepayers and destroy a vital community resource.

Mr. President, I am pleased that with strong bipartisan support, we fought successfully to prove the worth of public power. We demonstrated how necessary it is to the lives of rural and small city Americans. I am proud of the people of South Dakota who have stated their message loud and clear—through thousands of postcards, letters, and phone calls. South Dakotans such as Ron Holsteen, Bob Martin, and Jeff Nelson have been leaders in their opposition to the proposed PMA sale and I again congratulate them and commend their hard work. They and their counterparts are the true heroes in this victorious battle.

Public power is a solid investment for the Nation. Public power is one of the great success stories of South Dakota. There is no question: For now, we have won the war for the continued existence of public power. This is a victory for all Americans who reside in small cities and rural communities.

The PRESIDING OFFICER. Who yields time?

Would the Senator from New Mexico suggest the absence of a quorum?

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. I thank the Senator.

The absence of a quorum has been suggested. 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 2 minutes to Senator KYL off the bill.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Thank you, Mr. President. If there is a single vote on which the American people will judge the success or the failure of this Congress, if there is a single vote this session that will change the course of American history, it will be the vote on the Balanced Budget Reconciliation Act, which is before us today.

This single vote will determine whether we finally face up to the grim reality of a national debt that is $4.9 trillion and growing daily, a debt that now amounts to $18,500 for every man, woman and child in this country, or whether we continue the spending spree that we have been on for the last 20 years at the expense of our children and grandchildren.

This single vote is more important than the votes on the balanced budget amendment and the line-item veto. Those are the tools that will help us balance the budget and keep it there. This bill actually balances the budget.

This single vote will determine whether we keep the promises we made to the American people last fall that we would balance the budget and provide badly needed tax relief or whether it is business as usual: Promises out the door as soon as it is time to make the final decisions, the difficult decisions.

I believe that this Congress, the new majority and the American people who sent us here last year believe that it is different. We have spoken, we have worked, we have voted for the fiscal restraint for years but never had the votes in the Congress to prevail. This time is different. We finally have the chance and the numbers to prove what we say is what we mean: That Government is too big, that it costs too much, that it intrudes too far into the lives of our people and that, finally, we are willing to do something about it.

Mr. President, this is the most crucial vote that we will cast, and I am assuming that the majority of this body will support this Balanced Budget Reconciliation Act and put this country on the right course for the next century.

I believe this Congress—the new majority that the American people sent here last year—is different. We have spoken, we have worked, we have voted for fiscal restraint for years, but have never had the votes in Congress to prevail. This time is different. We finally have the chance, and the numbers, to prove that we mean what we say—that government is too big, it costs too much, and it intrudes too far into the lives of our people—and that we are willing to do something about it.

Former Education Secretary Bill Bennett probably said it best in testimony before the Budget Committee earlier this year. He said:

> We have created a nanny state that takes too much from us in order to do too much for us. This has created inefficiency, sapped individual responsibility, and intruded on personal liberty.

Mr. President, it is time to change course.

Fourteen years ago, President Reagan embarked on a similar mission to curb Federal spending, cut taxes, and reduce regulation. He succeeded in cutting taxes—and that launched the longest peacetime economic expansion in our Nation's history. And, I will talk about that a little more later.

Yes, deficits soared. But that was not because of the tax cuts. It was because the majority in Congress at the time did not have the courage or the will to limit Federal spending.

In the budget we have before us, spending growth is limited to about 3 percent a year. Had Congress been able to exercise the same restraint beginning in fiscal year 1982—the first year President Reagan had full control of the budget—the budget would not only have balanced in fiscal year 1989, there would actually have been a $73.5 billion surplus. Instead, Congress let spending grow by about twice that rate. Spending skyrocketed from $745.8 billion in fiscal year 1982 to $1.1 trillion by fiscal year 1989.

So even as revenues grew dramatically—from $617.8 billion in fiscal year 1982 to $990.7 billion in fiscal year 1989—the deficit soared because spending grew faster. A 60.4-percent increase in revenues was not enough for the spendthrift majority in Congress.

To my colleagues who say this is no time for a tax cut, let me tell you that the middle-class tax cut in our budget does not come at the expense of a balanced budget, but as a result of one. It is the dividend that the American people receive from the downsizing of government: the $200 million reduction in the congressional budget; the phasing

out of the Commerce Department; welfare reform; and the consolidation and elimination of other programs to name a few.

In fact, the Congressional Budget Office has certified that our budget meets its deficit reduction target; will help the economy; and, as a result, will produce a $170 billion economic dividend. We can and should return this dividend to the people. The $170 billion, combined with $21 billion from the repeal of corporate welfare, and billions of dollars in other savings—none of which comes from Medicare—allows us to pay for the tax cut and balance the budget. That is certified by the CBO, the agency President Clinton praised as the most accurate forecaster of budget numbers.

My colleagues, taxes are a problem, but it is not because they are too low; they are too high. Go out and talk to people in your States. Listen to them. The typical family now pays over 40 percent of its income in Federal, State, and local taxes. That is more than it spends on food, clothing, and shelter combined. Americans are working more than 3 hours of every 8-hour workday just to pay taxes to various levels of government.

Back in 1948, the typical family paid only about 3 percent of its income to the Federal Government in taxes. The budget balanced that year. In fact, the entire Federal budget amounted to only $29.8 billion—about what we will pay this year for 43 days' worth of interest on the national debt.

Mr. President, the American people are not undertaxed. They are overtaxed. They need relief. When politicians say we cannot afford a tax cut now, it is because they do not want to give up the money that is available for them—for the politicians—to spend. Well, what about hard-working families? What about what they can afford?

These are people struggling every day to get the kids to school, go to work, and pay their bills. To the family with two kids earning $20,000 a year, a $500 per child tax credit means a lot.

The Heritage Foundation recently estimated that 344,152 taxpayers in Arizona—more than 28 million taxpayers nationwide—are eligible for the $500 per child tax credit. Heritage estimated that 47,552 taxpayers in Arizona—3.5 million nationwide—would see their entire income tax liability eliminated as a result of the $500 per child tax credit. Those taxpayers are not wealthy, yet they are the ones who benefit most significantly from the Senate tax cuts.

In fact, 83 percent of the tax reductions in this bill will go to those with annual incomes under $100,000, and 70 percent will go to those with incomes under $75,000.

The bill includes a capital gains tax cut. A recent study by the Cato Institute found that the capital gains cut will benefit poor and working-class Americans most. The study found that the tax reduction would unlock hundreds of billions of dollars in unrealized capital gains, thus promoting investment in new technologies and entrepreneurial ventures. It would ''expand economic opportunities for working-class Americans by encouraging capital formation, new business creation, and investment in capital-starved areas, particularly inner cities, and lead to the creation of more than half a million new jobs and increase wages by the year 2000.''

People across America are frustrated. They are struggling day in and day out to make ends meet, while they watch the Federal Government squander their hard-earned tax dollars on everything from farm subsidies to pork-barrel highway projects, helium reserves, and welfare for lobbyists. President Clinton even wants us to pay ''volunteers'' to do their work—pay ''volunteers'' in the AmeriCorps program more than the average American earns in a year.

People in homes across the country are struggling with an oppressive tax burden while Congress and the President argue about who is rich, and about how much ''we'' can afford to give up in tax revenue. My colleagues, it is the American people—not government—that needs help, and this bill takes a small, but meaningful, step in that direction.

This bill is not radical or draconian. In fact, the tax cuts will total $245 billion over 7 years—just 2 percent of the total amount that the Federal Government will collect over that period. It is modest, and if the American people knew we were having such a battle over just 2 percent, they would be stunned.

Throughout the debate over the next few days, we will hear a lot about tax cuts for the rich. Whenever politicians start to object to tax bills because they do not tax the ''rich'' enough, or they provide too much relief for the ''rich,'' middle America better hold onto its wallet. As I pointed out before, more than 70 percent of the benefit of this cut goes to those with annual incomes of less than $75,000, so we are not talking about the super rich at all.

Remember in 1990 when Congress was supposedly going to soak the rich with a luxury tax on expensive cars, boats, jewelry, and furs? Well, it was not the rich who ultimately got soaked. The sale of yachts fell by 73 percent, and boatyards died. Sales of Cadillacs declined 17 percent. The rich simply avoided the tax by not buying the yacht or the Cadillac, and it was the guy on the line who ultimately paid the luxury tax—paid with his job. Congress had to repeal it.

In 1993, President Clinton called on the American people to pay higher taxes—he called it making a ''contribution'' to the Government. But it was the average woman on her way to work who found that she had to pay a higher price for gasoline to get there. It was the senior citizen making as little as $34,000 per year who found out he was among the ''rich'' President Clinton had in mind; he ended up paying higher taxes on his Social Security.

Now President Clinton says he made a mistake in 1993—that he raised taxes too much. I agree that he made a mistake, but if I recall correctly, he sent up a budget asking for $359 billion in new taxes—$100 billion more than he eventually got. It turned out that there was no support in Congress for a tax increase of that magnitude, even among members of his own party. He ultimately had to settle for a tax increase of ''only'' $258 billion—still the largest in history.

Yes, President Clinton did raise taxes too much, and we have the chance in this bill to undo some of the damage. Not only have people been taxed too much, but they have lost jobs as well. A constituent of mine, Tom Ford from Tucson, AZ, contacted me recently about what the Clinton tax increase has done to him.

Mr. Ford makes a living as a special effects specialist for the motion picture industry. He lost one job on a film called ''China Spur,'' which was to have starred Willie Nelson, Ernest Borgnine, and Heather Locklear. The film was canceled when the Clinton tax increase took effect because the investor found he did not have enough money to take a risk on the film.

Tom Ford worked on another movie, ''Waiting to Exhale,'' with Whitney Houston. Again, taxes hurt the little guy. The project went forward, but corners were cut. Salary and hours were reduced. Whitney Houston got her full asking price, and paid all her taxes, as did Gregory Hines and Angela Bassett who also starred in the film. But the guys behind the scene—people like Mr. Ford—were forced to work for less. It was they who bore the brunt of the tighter budget that resulted from higher taxes.

What does that mean? Wealthier taxpayers like Whitney Houston do not get hurt. She has a great deal of talent, and will continue to command a good wage no matter what taxes are levied. But others are not so fortunate. When Mr. Ford does not work, or works fewer hours or for less money, he cannot buy the extra equipment he needs for filmmaking. And this, in turn, means someone who produces the equipment is also put out of a job. He cannot buy the new pick-up truck he needs for his business. The Ford dealer in Tucson loses a sale, and the factory worker in Detroit sees her job threatened because sales fall off.

Mr. Ford pointed out the irony in a letter to me. He said, ''the only good thing is that with a lower income brought on by higher taxes, I am now paying less in taxes to the government.'' But that is not what is supposed to happen according to the big taxers.

If you listen to the other side in this debate, you will hear that higher tax rates are supposed to bring in more revenue for the Government. But that is not what Tom Ford's experience

demonstrates. High tax rates cost jobs and ultimately reduce revenues that might otherwise accrue to the federal Treasury.

That is the experience of the 1980's. Tax revenues increased from $517 billion in fiscal year 1980 to $1.03 trillion by fiscal year 1990. They nearly doubled. And that is despite the fact that the top income tax rate fell from 70 percent to 28 percent. The share of total Federal income taxes paid by the top 10 percent of taxpayers, ranked by adjusted gross income, rose from just under 50 percent in 1980 to more than 57 percent by 1988. During a period in which their marginal rate fell by 60 percent, the wealthy paid almost 19 percent more in dollar terms in Federal taxes. That is because the tax base expanded as people worked more, invested more, and took money out of tax shelters and put it into taxable investments instead.

Just as the local department store does not lose money when it holds a weekend sale—volume more than makes up for a reduction in price—the government does not lose revenue when it reduces tax rates. Just the opposite occurs. With businesses expanding, more people working, and more investments being made, tax revenues will increase.

The opposite occurs when tax rates are increased. People change their behavior to avoid the higher tax. After the tax increases of 1990 and 1993, income tax collections actually declined from 8.6 percent of gross domestic product [GDP] to 8.2 percent of GDP in 1994.

Even if you disregard the dynamic effect of the tax cuts proposed in the budget before us today, tax revenues are projected to increase substantially. They will increase from $1.35 trillion in fiscal year 1995 to $1.85 trillion in fiscal year 2002. That is $500 billion—half a trillion—more money than we are collecting today.

Mr. President, how much is enough? Can the Government not get by with an extra 35 percent worth of revenue—an extra half-a-trillion dollars—to spend? How much more is needed?

Now there is a lot of talk about the spending cuts in this package; that they are too deep or that one group or another is being singled out. The fact is, most programs are not being cut at all. Medicare spending, for example, will rise from $178 billion this year to $274 billion 7 years from now. In other words, we will be spending 50 percent more in 7 years than we spend today. The average Medicare benefit will go from about $4,800 per person today to $6,700 in the year 2002. That is not a cut. Let us be honest. It is not a cut.

Student loan volume will grow from $24 billion in 1995 to $36 billion in 2002—another 50-percent increase. Be honest: a 50-percent increase is not a cut.

It is the logic that defines a spending increase as a cut that has gotten us into this predicament. It is like giving someone a 50-percent raise and having that person quit because he thinks his employer cut his salary. Let us be honest. An increase is not a cut.

Let us make no mistake about what these deficits mean. When mom, dad, grandma, and grandpa want more from the government than they are willing to pay for in taxes today—that is a budget deficit—we are all handing the bill, dollar for dollar—plus interest—to our sons and daughters, and their children yet to come.

Most people agree that the Federal Government should maintain a social safety net to provide individuals with the hand up that they need to escape hard financial times. No one here is proposing that we eliminate that helping hand. But, we have got to find a way to provide a safety net without leaving future generations with a legacy of debt and despair.

My grandson was born just 5 months ago and already owns a share of the national debt that is $18,500 and rising. He can expect to pay $187,000 in taxes during his lifetime just to pay the increase on the national debt. What will be left of his income to care for his children? How will the Government care for the needy of tomorrow when every dollar of individual income tax revenue is devoted to interest on the national debt?

Mr. President, a balanced Federal budget offers hope. Yes, it will require that Congress prioritize spending so that the most important programs are not jeopardized. And wasteful programs will have to be eliminated. Some of the luxuries will have to be postponed to another day. A balanced budget will require heavy lifting, but it offers hope and opportunity.

The Congressional Budget Office predicts that a balanced budget would facilitate a reduction in long-term real interest rates of between 1 and 2 percent. That means that more Americans will have the chance to live the American dream—to own their own home. A 2-percent reduction on a typical 30-year $80,000 mortgage would save homeowners $107 a month. That is $1,284 a year, or over $38,000 over the life of the mortgage.

A 2-percent reduction in interest rates on a typical $15,000 car loan would save buyers $676.

The savings would accrue on student loans, and credit cards, and loans to businesses that want to expand and create new jobs. Reducing interest rates is probably one of the most important things we can do to help people across this country.

This bill includes incentives to help people buy insurance coverage for long-term health care, and to save in medical savings accounts. It includes a tax credit for adoption expenses, and estate tax reform so that families are not forced to sell their small businesses just to pay estate taxes to the Government.

This budget represents a break from business as usual. We are finally making the tough choices the American people sent us here to make. We are keeping our promises—for a change.

Will some people be unhappy with the bill? Of course. It is always easier to hand out money other people earned than it is to say ''no.'' Will some say they have been singled out? Of course. But if you look at the myriad of interests that say they have been singled out, you see that no one has been singled out at all.

This is a historic debate, the most important vote many of us will ever cast. Let us not miss this opportunity or another one might not arise until it is too late for our country. Vote for the Balanced Budget Reconciliation Act.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that I be allowed to speak for 2 minutes as in morning business, not to take away from the time on either side.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, just so everyone will understand, we cannot be doing this because we are very, very close on getting to the amendments we have agreed to. In this instance, for 2 additional minutes, I will not object, just so Senators on our side know we are not going to be able to do any more of this until we get on the amendment. At this time, I will not object.

The PRESIDING OFFICER. Without objection, the order for the quorum call is rescinded. The Senator from Texas is recognized as in morning business.

ATROCITIES IN BOSNIA

Mrs. HUTCHISON. Thank you, Mr. President, and I thank the Senator from New Mexico.

I want to talk for 2 minutes about the atrocities that we believe may be going on right now in Bosnia. I have submitted a sense-of-the-Senate resolution so that the Senate can speak out against these atrocities and ask the Bosnian Serb leadership to stop forthwith anything that might be going on that is a crime in the area of Banja Luka.

We saw in the Washington Post this morning and in the New York Times last week what now appears to be mass murders in Srebrenica by the Serbs in July. The problem, Mr. President, is this may be going on right now around Banja Luka. I want the U.S. Senate to speak forcefully, asking the Serb leadership, if they are going to try to sit down at a peace table, that the least they can do is allow our Assistant Secretary of State John Shattuck, people from the United Nations, people from the Red Cross into the Banja Luka area to certify that there are not mass murders going on right now to account for

the men who have been rounded up in factories, in stadiums and, if they are still alive, to let them go back to their families and, if there are crimes being committed, to stop them forthwith.

I think it is time that we as a Senate, on a bipartisan basis, speak loudly and clearly.

My sense-of-the-Senate resolution has been filed as an amendment. It is HUTCHISON, MCCAIN, LIEBERMAN, STEVENS, LEVIN and THOMAS, and many cosponsors are coming from both sides of the aisle.

Mr. President, we must speak and the Serb leadership must stand up and say these atrocities have stopped.

Thank you, Mr. President, and I thank the manager of the bill for letting me speak on this very important subject. If we can stop one murder right now, it will be worth it.

I yield the floor and suggest the absence of a quorum.

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.

N O T I C E

Incomplete record of Senate proceedings. Except for concluding business which follows, today's Senate proceedings will be continued in the next issue of the Record.

ORDERS FOR FRIDAY, OCTOBER 27, 1995

Mr. GRAMS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:15 a.m., Friday, October 27, 1995; that following the prayer, the Journal of the proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, the Senate then immediately resume consideration of the reconciliation bill.

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

PROGRAM

Mr. GRAMS. Mr. President, for the information of all Senators, the Senate will resume the bill at 9:15 a.m. tomorrow and will begin a very lengthy series of stacked rollcall votes in order to complete action on the budget reconciliation bill.

All Members should be reminded that the stacked votes will be shortened; therefore, Members should expect to remain in or around the Chamber during tomorrow's session.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. GRAMS. Mr. President, if there be no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 12:23 a.m., recessed until Friday, October 27, 1995, at 9:15 a.m.

EXTENSIONS OF REMARKS

REINTRODUCTION OF THE GIFT OF LIFE CONGRESSIONAL MEDAL ACT OF 1995

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 26, 1995

Mr. STARK. Mr. Speaker, today I take great pride in reintroducing the Gift of Life Congressional Medal Act of 1995 along with our colleagues FLOYD SPENCE, JOE MOAKLEY, JAMES WALSH, GERALD KLECZKA, NANCY PELOSI, KAREN THURMAN, GEORGE BROWN, RANDY CUNNINGHAM, MARTIN FROST, and VICTOR FRAZER. I believe the enactment of this legislation will not only honor the individual organ donor and their loved ones, but will also heighten the awareness of the organ shortage—ultimately resulting in more organ donation.

Despite the numerous problems that organ donation programs have faced and conquered over the years, a major problem still exists—an undersupply of available and suitable organ donors.

Currently, there are 40,000 individuals waiting for an organ transplant in the United States. A new name is added to the national patient waiting list approximately every 18 minutes. Last year alone, more than 3,000 adults and children died while waiting for an organ. Just yesterday, approximately eight individuals, suitable for a transplant operation, died while waiting for a transplantation.

The demand for organs will continue to grow with the improvement of medical technologies, and without expanded efforts to increase the supply of organ donation, the supply of suitable organs will continue to lag behind the need.

According to some researchers, it may be possible to increase by 80 percent the number of organ donations in the United States through incentive programs and public education. A congressional medal recognizing donors and their families can play a very important and effective role in our efforts to encourage such donation.

Our proposed Gift of Life Medal Program will be administered by regional organ procurement organizations (OPOs) and managed by the entity administering the Organ Procurement and Transplantation Network. Once the very difficult decision to donate an organ has been made, the donor or the family member of the donor will be asked by the regional OPO whether participation in the Gift of Life Medal Program is desired. The OPO will give each donor or family of the donor the option of receiving a Gift of Life Medal, recognizing that some donors and families may not want to participate. If the donor or the family of a donor requests, a public presentation will be made to honor the donor. A presentation by a local official, community leader or Member of Congress would be a tremendous opportunity to increase the awareness concerning the desperate need for organ donation.

Every action has been taken to insure that the issuance of the Gift of Life Medals results in no net cost to the Government. In addition, I am proud to report that the legislation has the strong support of the United Network for Organ Sharing (UNOS) and the National Kidney Foundation.

It is with great pleasure that I ask our colleagues to join with us as cosponsors of the Gift of Life Congressional Medal Act of 1995 and recognize the enormous faith and courage displayed by organ donors and their families. They offer others a second chance by providing the most precious gift imaginable—the gift of life.

H.R.—

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Gift of Life Congressional Medal Act of 1995''.

SEC. 2. CONGRESSIONAL MEDAL.

The Secretary of the Treasury shall design and strike a bronze medal with suitable emblems, devices, and inscriptions, to be determined by the Secretary of the Treasury, to commemorate organ donors and their families.

SEC. 3. ELIGIBILITY REQUIREMENTS.

(a) IN GENERAL.—Any organ donor, or the family of any organ donor, shall be eligible for a medal described in section 2.

(b) DOCUMENTATION.—The Secretary of Health and Human Services shall direct the entity holding the Organ Procurement and Transplantation Network (hereafter in this Act referred to as ''OPTN'') to contract to—

(1) establish an application procedure requiring the relevant organ procurement organization, as described in section 371(b)(1) of the Public Health Service Act (42 U.S.C. 273(b)(1)), through which an individual or their family made an organ donation, to submit to the OPTN contractor documentation supporting the eligibility of that individual or their family to receive a medal described in section 2; and

(2) determine, through the documentation provided, and, if necessary, independent investigation, whether the individual or family is eligible to receive a medal described in section 2.

SEC. 4. PRESENTATION.

(a) DELIVERY TO THE SECRETARY OF HEALTH AND HUMAN SERVICES.—The Secretary of the Treasury shall deliver medals struck pursuant to this Act to the Secretary of Health and Human Services.

(b) DELIVERY TO ELIGIBLE RECIPIENTS.—The Secretary of Health and Human Services shall direct the OPTN contractor to arrange for the presentation to the relevant organ procurement organization all medals struck pursuant to this Act to individuals or families that, in accordance with section 3, the OPTN contractor has determined to be eligible to receive medals under this Act.

(c) LIMITATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), only 1 medal may be presented to a family under subsection (b).

(2) EXCEPTION.—In the case of a family in which more than 1 member is an organ donor, the OPTN contractor may present an additional medal to each such organ donor or their family.

SEC. 5. DUPLICATE MEDALS.

(a) IN GENERAL.—The Secretary of Health and Human Services or the OPTN contractor may provide duplicates of the medal described in section 2 to any recipient of a medal under section 4(b), under such regulations as the Secretary of Health and Human Services may issue.

(b) LIMITATION.—The price of a duplicate medal shall be sufficient to cover the cost of such duplicates.

SEC. 6. NATIONAL MEDALS.

The medals struck pursuant to this Act are national medals for purposes of section 5111 of title 31, United States Code.

SEC. 7. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

No provision of law governing procurement or public contracts shall be applicable to the procurement of goods or services necessary for carrying out the provisions of this Act.

SEC. 8. SOLICITATION OF DONATIONS.

(a) IN GENERAL.—The Secretary of the Treasury may enter into an agreement with the OPTN contractor to collect funds to offset expenditures relating to the issuance of medals authorized under this Act.

(b) PAYMENT OF FUNDS.—

(1) IN GENERAL.—Except as provided in paragraph (2), all funds received by the Organ Procurement and Transplantation Network under subsection (a) shall be promptly paid by the Organ Procurement and Transplantation Network to the Secretary of the Treasury.

(2) LIMITATION.—Not more than 5 percent of any funds received under subsection (a) shall be used to pay administrative costs incurred by the OPTN contractor as a result of an agreement established under this section.

(c) NUMISMATIC PUBLIC ENTERPRISE FUND.—Notwithstanding any other provision of law—

(1) all amounts received by the Secretary of the Treasury under subsection (b)(1) shall be deposited in the Numismatic Public Enterprise Fund, as described in section 5134 of title 31, United States Code; and

(2) the Secretary of the Treasury shall charge such fund with all expenditures relating to the issuance of medals authorized under this Act.

(d) START-UP COSTS.—A 1-time amount not to exceed $55,000 shall be provided to the OPTN contractor to cover initial start-up costs. The amount will be paid back in full within 3 years of the date of the enactment of this Act from funds received under subsection (a).

(e) NO NET COST TO THE GOVERNMENT.—The Secretary of the Treasury shall take all actions necessary to ensure that the issuance of medals authorized under section 2 results in no net cost to the Government.

SEC. 9. DEFINITIONS.

For purposes of this Act—

(1) the term ''organ'' means the human kidney, liver, heart, lung, pancreas, and any other human organ (other than corneas and eyes) specified by regulation of the Secretary of Health and Human Services or the OPTN contractor; and

(2) the term ''Organ Procurement and Transplantation Network'' means the Organ Procurement and Transplantation Network established under section 372 of the Public Health Service Act (42 U.S.C. 274).

TRIBUTE TO BILL MILANO

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. MILLER of California. Mr. Speaker, I rise today to pay tribute to Bill Milano of Pittsburg, CA, who was honored by his brothers and sisters in the labor community and the city of Pittsburg last Saturday, October, 14, 1995, when the United Steelworkers Union Local 1440 renamed its union hall for him, their founder and distinguished leader.

First and always, Bill Milano is a union man who grew up in the coal mines of Kansas and moved west to work in the steel mills of Pittsburg, CA. He is the very heart and soul of the United Steelworkers Local 1440, having served in every possible capacity for over 50 years. Even in retirement, he is a constant source of pride, enthusiasm, and inspiration for his fellow union members.

Not only is Bill Milano a leader in union halls, he has also served his community with distinction and honor as a former member of the Pittsburg City Council, founder and member of the Pittsburg Boys club, and service to the Pittsburg Red Cross, Pittsburg Community Hospital, Contra Costa Park and Recreational Council, Pittsburg Schools PTA organizations, Pittsburg Lions Club, Boy Scout troops, American Cancer Society and many, many more community service organizations. His longtime support of Ducks Unlimited and his keen interest in hunting is legendary among his family and friends.

I grew up hearing about Bill Milano from my father and how he organized local party politics in Pittsburg at a time when only shoe leather and hard work got your people elected to office. Bill Milano supported my father in his campaigns for the California State Senate, as well as my elections to the U.S. House of Representatives. He has been a friend of our family for three generations, and I am proud to call Bill Milano my friend.

I would like to share with my colleagues the attached article from the Ledger Dispatch, Wednesday, October 4, 1995, ''Bid for Better Life Lead to Long Union Career.''

[From the Ledger Dispatch, Oct. 4, 1995]

BID FOR BETTER LIFE LED TO LONG UNION CAREER

(By Sam Richards)

PITTSBURG, CA.—Bill Milano came to Pittsburg on a freight train in 1939, looking for a better life for his family.

Now, almost two decades after retiring from his job as financial secretary of United Steelworkers Local 1440, Milano will have his name attached to the Steelworkers' building in Cumberland Street.

For a guy who has spent the past 53 years either working or volunteering at the union hall, a guy who helped oversee tremendous growth of the local during World War II, and then saw the union shrink again as local steel employment declined . . . is this honor a surprise?

Yes, in a way, the 82-year-old Milano said.

''I've been retired 17 years and they've never done a damn thing to honor me,'' said Milano, with a smile on his face. ''But I never really pursued that anyway.''

Milano's time has finally come. Local 1440 will formally rename their building after Milano at a ceremony Oct. 14 at the building, 677 Cumberland Ave. Everyone is invited to attend that, and a reception following at the Marina Clubhouse, 31 Marina Blvd.

''This isn't just any man . . . this is the man,'' said Rose Cavallaro, office secretary for Local 1440 since 1959. ''He's the 'godfather' of the local union; he's the one who got the union going.''

Milano grew up in Kansas, and was working in the coal mines there in strip mine shafts and driving a steam locomotive shuffling coal hopper cars. But he wanted something better for his family.

''The coal mines just weren't working too good,'' he said. ''We'd heard a lot about California, so we went to California.''

Without enough money to take a passenger train, Milano and a friend hopped a Frisco Railway freight train near Cherokee, Kan., Aug. 14, 1939. A week later, they arrived in Pittsburg on a Santa Fe freight train. Within days, both were working at the Columbia Steel Co. mill, Milano as a ''reeler'' putting steel wire onto reels to be galvanized.

Also, Milano found the local union office quickly.

''I'd had 'union' drilled into me by my dad and everyone around me for years,'' Milano said. ''The first thing I did was go down to the union.''

In 1942, he was elected 1440's financial secretary, a post he held until 1979. During that time, he saw the union change from the Steelworkers Organizing Committee to the United Steelworkers Union of America. Milano also oversaw wartime expansion at Columbia Steel swell union membership from about 265 to more than 4,000.

Milano also plunged into community involvement in Pittsburg. He served on the City Council from 1944 until 1952, helped found the Pittsburg Boys Club (the predecessor of the East County Boys and Girls Club), was a secretary for the Contra Costa Grand Jury and numerous other civic, fraternal and local school activities.

His wife, Virginia died in 1990. And the USS–POSCO Industries plant in Pittsburg employees number fewer than 1,000 people now. But he is still involved with Local 1440 activities.

''Anytime there's something wrong here down at the union, Bill gets involved,'' said Carl Meilicke, 43, a former U.S. Steel employee in Pittsburg. ''He started the union, and he knows more about it than anyone.''

The union hall opened in the 1940s. It almost didn't outlast Milano, because the city had wanted to knock it down as part of redevelopment in 1992.

As it was. The Village at New York Landing housing tract was literally built around the union hall, which also includes the Union Club tavern.

''If you start pushing us, we'll get the whole rank and file coming after you'' Cavallaro said. ''We're never going to leave this building now.''

Still a hunter and fisherman, Milano gave up abalone diving only two years ago. But he hasn't given up being involved in politics; in keeping with union tradition, he's supported, almost exclusively, Democrats over the years. This includes three generations of George Millers, including. Assembly candidate George Miller IV . . . sort of.

''I know him and I'm friends with Tom Torlakson (Miller's election opponent),'' Milano said. ''I told them, 'Whoever wins the primary, I'll put my full weight behind you.' ''

Tickets to the Bill Milano Building's dedication are $10 each, and are available by call 432–7396.

A POINT-OF-LIGHT FOR ALL AMERICANS: JOSEPH FRANCOIS

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. OWENS. Mr. Speaker, I rise to honor Joseph Francois, an individual who has tirelessly dedicated his life to making our society better. This individual is directly responsible for community enhancement efforts that impact education, social/human services and health care. His vision, sincerity and competence have resulted in the writing of winning grant proposals and valuable research studies that empower the community. Mr. Joseph Francois is a great ''Point-of-Light'' whose work must not go unappreciated or unnoticed.

Since 1978, Mr. Francois has been chief executive officer of the Brownsville Community Development Corporation. He is also the project director of the Brownsville Multi-Service Family Health Center, responsible for the overall management of a comprehensive health facility. He is responsible for proposal writing, financial and budgetary conditions of the corporation, and is in the process of developing an alcoholism outpatient clinic and halfway house. Joseph Francois is also planning the creation of a birthing center.

Throughout the years, Joseph Francois has worked diligently in top positions that he found to be beneficial to his community. He was personnel director of the New York City Board of Education, Community School District No. 23. As such, he was responsible for the employment of all pedagogical and administrative staff necessary for the operation of elementary and junior high schools in district No. 23.

Mr. Francois served as a program analyst, responsible to the New York State Minority Leader for the analysis and evaluation of problems facing New York City and State. Recent publications on which he served as chief analyst included ''Study of Men's Shelter,'' and a study of anti-poverty programs entitled ''Serving the Poor,'' which was nominated for an award for outstanding legislative research and was jointly recommended by the then city council president, Carol Bellamy.

Mr. Francois also served as director of operations for Wildcat Service Corporation in New York City where he was responsible for the overall management of more than 350 employees. His primary area of expertise is evident by his effort in creating the first health group in the city where community and hospital leaders jointly planned to coordinate health needs for the community with a private hospital in Brooklyn. There he acted in the capacity of chairman of the board. In 1969, this group was known as the Brownsville Brookdale Health Coalition. Mr. Francois was affiliated with the Mayor's Organization Task Force for Comprehensive Health Planning. He also headed the Anti-Poverty Program for Brownsville which planned and devised programs which assisted the community in receiving grants from the National Institute for Mental Health [NIMH] to run demographic studies relevant to community needs. He is a past member of the New York City Council Against Poverty.

Mr. Speaker, Joseph Francois is truly a ''Renaissance Man'' whose interests and deeds extend to all critical areas of community

survival and development. Mr. Francois has never hesitated to speak out and fight against political abuse and corruption. In 1982, Joseph Francois personally drove nonstop from New York City to Albany to deliver legal briefs to the New York State Court of Appeals in the case where the Kings County political machine plotted to rob congressional candidate MAJOR OWENS of a Democratic Party primary election victory. His heroic ride to meet the filing deadline resulted in the declaration by the State's highest court that MAJOR OWENS was unquestionably the winner of that 1982 election.

Along with Mr. Francois' dedication to his community, in addition to his traditional educational achievements, he completed 4 years of theological training and was ordained a Deacon by the Diocese of Brooklyn and Queens.

Married and a resident of Brooklyn, NY, Joseph Francois' distinguished life marks one of dedication to community, to God, and to family. Undoubtedly, his input in New York State legislative policy, outstanding research, and effective design of programs have improved the overall quality of life for many children, men, women, and families. Joseph Francois is a great ''Point-of-Light,'' not only for the people of his New York community, but for all of the people of America.

ANNIVERSARY OF THE KILLING OF LEON KLINGHOFFER

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mrs. LOWEY. Mr. Speaker, it has been 10 years since a band of terrorists hijacked the *Achille Lauro* cruise ship, holding the crew and passengers hostage for several days.

It has also been 10 years since these murderous terrorists shot to death Leon Klinghoffer, a wheelchair-bound American citizen, and threw his body and his wheelchair overboard. This hijacking and murder stunned all of us, and showed us—in no uncertain terms—that terrorism threatens all Americans.

In the decade since the *Achille Lauro* incident, we have seen many more incidents of terrorism around the world and in this country. Each incident underscores that we need to pass tough antiterrorism legislation. We cannot tolerate the terrible and cowardly acts of violence that have rocked the United States and the world. It is time to close the door on terrorism.

Mr. Speaker, Leon Klinghoffer's death was a horrible tragedy. And now, a decade later, it is clear that we have not done enough to stop terrorism. We must do more to ensure that no other families face the tragedy that Mr. Klinghoffer faced 10 years ago. We must pass tough antiterrorism legislation.

JACK LASKOWSKI, A TRUE LEADER

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. BARCIA. Mr. Speaker, many of us know how important the labor movement has been for the improvement of working conditions and fair compensation for millions of Americans. None of this would have happened if it had not been for tireless, visionary individuals who were willing to work on behalf of their coworkers. Jack Laskowski, the current director of UAW region 1D, has been such an individual who is being honored for his dedication at a retirement party this Friday.

Jack has been a member of UAW Local 362 since 1958 when he started to work at General Motors' CPC Powertrain plant in Bay City. He followed on the traditions established by his father, Walter ''Bullet'' Laskowski, who took part in the UAW's first strike at the Chevrolet plant in Bay City in 1936, which led to the formation of Local 362.

Since 1958, Jack has served as a member of the bargaining committee, chaired by his father. He also was a benefit plans representative and editor of the local paper until he joined the staff of the international union. Jack served on the staff of 1D since 1971, and then became the assistant director in June 1986, and finally director on June 17, 1992. He has been a vital component of labor's presence in Saginaw, Bay City, and the northern portion of Michigan's lower peninsula.

Jack's involvement in matters affecting people extend beyond his activities in the UAW. He has served as a member of organizations like the NAACP and the Coalition of Labor Union Women. He served a 3-year term as a city commissioner of Bay City. He has throughout his adult life been active in the Democratic Party, including his current membership of the Kent County Democratic Party executive committee.

He and his wife Sally also raised three wonderful sons, Greg, Tim, and Mike, who have become a bilingual special education teacher, a director of labor at Occupational Health Care, and another generation of GM worker and member of UAW Local 2031, respectively.

I have had the good fortune to know Jack personally for many years. I consider him to be a friend, a capable advisor, and someone I am proud to know. Mr. Speaker, in recognition of a career of devotion and a lifetime of leadership, I urge you and all of our colleagues to join me in wishing Jack Laskowski a happy, and well-deserved retirement from his years with the United Auto Workers.

TRIBUTE TO MOTHER MARTHA OVERALL

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to Mother Martha Overall, who was honored for her tireless contributions in the service of the community on October 6 at the 1995 St. Benedict the Moor Neighborhood Center's dinner dance, in the South Bronx.

Mother Overall is one of eight individuals who were recognized for their remarkable success in helping rehabilitate individuals who had been struggling with substance abuse. The rehabilitation program is being implemented at St. Benedict the Moor Neighborhood Center.

A native New Yorker, Mother Overall finished law school at New York University. Soon she was helping tenants and providing volunteer legal services for the improvement of residential buildings.

While taking care of an ailing brother who died from AIDS, she was called to the priesthood. She received a master's in divinity from Union Theological Seminary. Mother Overall was ordained at the Cathedral of St. John The Divine and began working at St. Ann's Episcopal Church, next door to St. Benedict the Moor.

In her public and private life, she has never given up the commitment to help those who need her. Mother Overall became the mother of her godson Joey Daniel Spearman II, after his biological mother died from breast cancer. Her dedication to the community has gained her the admiration and respect of all of us in the South Bronx.

Mr. Speaker, I ask my colleagues to join me in recognizing Mother Overall for her immense love and devotion in helping those who are the least fortunate among us.

LEGISLATION TO ENCOURAGE FRANCE TO HALT NUCLEAR TESTING

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. MARKEY. Mr. Speaker, I am pleased that Congressman FALEOMAVAEGA and Congressman STARK have joined me in introducing legislation today to encourage the French Government to stop exploding nuclear test devices. Despite an international nuclear testing moratorium in effect since 1992 and the important progress made by the permanent extension of the Nuclear Non-Proliferation Treaty, France has detonated two nuclear test devices at its facilities in the South Pacific. Additional tests are planned.

This legislation is very straightforward: Until France's nuclear tests stop, the bill makes importing France's celebrated Beaujolais wine more expensive in the United States and therefore less palatable to American consumers.

As this year's ripe French grapes are pressed into another vintage of France's prized Beaujolais wine, French nuclear testing in the South Pacific is reaping a bitter harvest: A harvest of worldwide criticism, protest, and censure. We are sending France a clear and simply message: To paraphrase Ernest and Julio Gallo ''You will sell no wine during testing time.''

The bill increases the current import fee on Beaujolais by 800 percent. All France needs to do to stop this year's Beaujolais from going down the tubes is to stop testing nuclear weapons.

The French Government has pledged to sign a comprehensive test ban next year that will outlaw all future nuclear test explosions. President Chirac recently has said that France will shorten its planned series of test explosions in the South Pacific. In addition, last Friday, France promised to sign the South Pacific Nuclear Free Zone Treaty by the first half of 1996. These steps are encouraging. However, France should take them now instead of making promises while continuing to blow up nuclear test devices on fragile coral reefs in the middle of the ocean.

France's underground nuclear test explosions at these reefs produce radioactive materials that will, over time, leak into the surrounding environment. In fact, scientific studies conducted in the area around the test site have found evidence that this is already occurring. In 1987, marine researcher Jacques Cousteau examined the reefs and collected water samples. In his report, Cousteau indicated that the water samples contained concentrations of the radioactive isotope cesium-134. Cousteau also noted that reefs are the "worst possible choice' for locating a test site because of the potential for leakage of radioactive contamination.

In addition to environmental damage, French nuclear testing also severely undermines ongoing efforts to conclude a CTB outlawing all tests for all time. French testing slows the momentum toward global nuclear disarmament which was achieved at the U.N. conference permanently extending the Nuclear Non-Proliferation Treaty.

I am pleased that Congressman FALEOMAVAEGA and Congressman STARK have joined me in this effort, and I hope that France listens to the message we are sending today and stops testing immediately.

PERSONAL EXPLANATION

HON. SONNY BONO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. BONO. Mr. Speaker, on October 12, 1995, I was unavoidably delayed and missed rollcall vote No. 713, final passage of the Omnibus Civilian Science Authorization Act of 1995, H.R. 2405. If I were present, I would have voted ''aye,'' in support of final passage.

TRIBUTE TO JOHN T. AND LORRAINE HEDRICH

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. CAMP. Mr. Speaker, I rise today to honor John T. and Lorraine Hedrich as they are recognized for their vast contribution to polka and the State of Michigan. John and Lorraine were inducted into the State of Michigan Polka Music Hall of Fame on Sunday, October 1, 1995.

America was built by the hard work and commitment of settlers who brought with them a rich and varied heritage. Polka flourished in Michigan largely due to the devotion of those who brought with them their families' traditions and customs, as well as their love of polka. John and Lorraine are two of those special individuals who are proud to keep an honored tradition alive.

John T. Hedrich of Chesaning, MI has been playing the drums since the age of 5. His wife Lorraine has been playing the accordion since she was 11 years old. John and Lorraine first met in 1962 when Lorraine played with John's Hot Shots at the Quaker Inn in Corruna. The two were married in February of 1965. In 1973 they began playing together in a two-piece band still known today as The J & L Bluetones. Currently, John and Lorraine are members of the Saginaw Musical Association Local 57.

Mr. Speaker, thanks to John and Lorraine's efforts, we are all able to enjoy an old musical tradition from many years ago. They were honored at a reception in Owosso, MI because of their dedication and commitment to spreading the polka tradition and helping others enjoy this special music. I am confident that the musical legacy of these outstanding individuals will be remembered for decades to come.

MEDICARE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. HAMILTON. Mr. Speaker, I am inserting my Washington Report for Wednesday, October 18, 1995 into the CONGRESSIONAL RECORD.

WHAT'S WRONG WITH THE GINGRICH MEDICARE PLAN

Congress will consider soon proposals to reform the Medicare system. Everybody agrees that reducing the growth in Medicare spending is essential to eliminating the federal budget deficit, but there is disagreement over the level of cuts that should be made.

Is the Medicare system broke? Medicare consists of a Part A program, which pays for hospitalization of older Americans and is financed through a payroll tax of 2.9% of wages, half paid by employers and half by employees; and a voluntary Part B program, which covers doctor bills and outpatient expenses and is financed by general tax revenues and monthly premiums paid by beneficiaries.

Part B is not in danger of bankruptcy because it is financed from general revenues. The Part A trust fund, however, will not have enough money to fully cover the benefits required by law, according to the program's trustees. The Office of Management and Budget (OMB), which oversees the federal budget, and the Medicare trustees say that $90 billion in cutbacks are needed to ensure the future solvency of Part A over the next 10 years. The Congressional Budget Office (CBO), the non-partisan budget arm of Congress, estimates that around $150 billion in cutbacks are needed for the next 10 years, which is as far as CBO will measure it.

The trustees have issued similar findings for almost every year since 1970, and Congress and the President have always raised taxes or adjusted benefits in plenty of time to prevent bankruptcy. The real problem for Medicare is long term. Its costs are growing rapidly and soaking up a large share of the federal budget. Significant structural changes are necessary early in the next century. To illustrate, there are almost 4 workers paying taxes for each person covered by Medicare today. The ratio will fall to 2½ workers per beneficiary in 2025.

Why are costs increasing? The costs of Medicare are increasing for two basic reasons. First, the population is getting older and living longer—which means more health care problems, greater health care spending and more demands on the Medicare system as the number of beneficiaries climbs (there are presently 37 million Medicare beneficiaries). Second, health care costs are rising, driven largely by inflation and the advance of medical technology.

What is Speaker Gingrich's plan? Speaker Gingrich would cut $270 billion from projected Medicare spending over 7 years. He would control costs by shifting beneficiaries into private plans and Medical Savings Accounts, holding down payments to doctors and hospitals, and doubling premiums paid by beneficiaries.

Does the plan cut Medicare benefits or just slow the rate of growth in spending? The answer is both. To provide the benefits required under current law, the amount the government spends for each Medicare beneficiary is projected to rise from the current level of $4,800 to $8,400 in 2002. Gingrich's plan would reduce the projected increase to $6,700 per beneficiary. The increase, however, would be inadequate to keep pace with inflation and more expensive medical treatments. Consequently, Medicare will buy fewer services for each beneficiary.

Will Medical Savings Accounts (MSAs) and managed care networks save money? Gingrich's plan relies on MSAs and managed care to save money. MSAs offer retirees the option to buy with government money a catastrophic policy to cover large medical bills along with a tax-free savings account to pay routine medical bills. The MSA in his plan may include a $10,000 deductible. This option appeals mostly to healthy retirees who expect small medical bills and therefore could expect tax-free buildup of money in the MSA. The sicker patients would remain in Medicare, driving up costs.

Gingrich's plan also seeks to generate savings by encouraging seniors to enroll in managed care networks, such as health maintenance organizations. The theory behind managed care is that networks can offer more comprehensive coverage than traditional fee-for-service plans because they are better able to hold down costs. Managed care may save money (at least in the near term), but it also entails less physician choice for beneficiaries.

Does the plan add up? CBO has indicated that Gingrich's plan falls short of the projected savings of $270 billion. Gingrich proposes a ''fail-safe'' to make up for any shortfall by taking additional (but unspecified) budget-cutting steps in the future, such as further reducing payments to doctors and hospitals.

Are there alternative plans? An alternate House plan has been introduced which would make $90 billion in cuts over seven years, the amount recommended by Medicare trustees to ensure Medicare's solvency for 10 years. The plan includes modest reductions in hospital payments, limits on physician reimbursement, tough fraud and abuse prevention, and a commission to address the long-term solvency of Medicare. There would be no increased costs to beneficiaries. A similar plan has been introduced in the Senate.

What is my view: I believe that Medicare must be cut and reformed, but changes have to be made in such a way to protect the lower income elderly and the disabled who lack the means to buy their own health care. The Gingrich plan extracts two to three times what is necessary in order to help pay for a huge tax cut, and does this too fast. We need to ease up on Medicare and find savings elsewhere.

Managed care should be an option, but we do not want to shove beneficiaries into it if they prefer to choose their own doctor. The Gingrich plan will likely make physician choice too expensive for beneficiaries, and could push doctors into managed care arrangements. We should also eliminate the ''fail-safe'' devices in the Speaker's plan which will bring about direct price controls.

Medicare is a vitally important program to the American people and it must be protected. The congressional leadership and the President must work together in a cooperative spirit to ensure the program continues

to be there when people need it. I think this is what Americans want. Time is running out for careful deliberation in 1995. We all want affordable, high quality health care—goals we must be careful not to undermine.

MEDICARE PRESERVATION ACT OF 1995

SPEECH OF

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 19, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2425) to amend title XVIII of the Social Security Act to preserve and reform the Medicare Program, with Mr. LINDER in the chair:

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I rise today in strong opposition to the Medicare Preservation Act of 1995, H.R. 2425.

The Republican leadership is constantly saying ''trust us'' when it comes to deep cuts in Medicare. Yet, the Republicans can't even keep their word about hearings, and we're supposed to trust them about what they have in store for our doctors, our hospitals, and our senior citizens.

Republicans are cutting Medicare to pay for tax cuts for the rich and special interests. They can call it whatever they like, but it's still a cut and it will be paid for by one of our most vulnerable populations, seniors.

The bill makes the most sweeping changes in the Medicare Program since its establishment in 1965. For 30 years, Medicare has helped to assure that older and disabled Americans get the health care they need, while lessening the burden on families who might otherwise be responsible for paying the medical bills of ailing parents and grandparents.

Under the Medicare Preservation Act of 1995, the elderly will be forced to make choices between paying for health care and paying their heating bills. Hospitals, dependent on Medicare revenue will be forced to significantly cut back service or close altogether, leaving countless rural residents miles from health care facilities. Community economies will falter as hospitals close, laying off workers and making it more difficult to attract new economic development.

Do I want to improve Medicare? Yes. Should we continue to look for efficiencies in this program? By all means. But not at the expense of unnecessary increased costs, fewer benefits, loss of choices, and lower quality medical care for our senior citizens and for disabled people to whom we made the promise of Medicare 30 years ago.

TRIBUTE TO BILL MARX

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. TAUZIN. Mr. Speaker, on Thursday evening, October 26, 1995, the Council of Industrial Boiler Owners [CIBO] will pay tribute to its founder, Mr. William B. Marx, in honor of his retirement. I would like to join his family, many friends, and associates in honoring his distinguished career and the many contributions he has made to the industrial community and the energy industry of this great United States of America.

Bill Marx was born in Easton, PA on December 20, 1923. He graduated with a bachelor of arts degree from Lafayette College in 1948, including 3 years as a first lieutenant in field artillery. He earned a masters degree from the Fletcher School of Law & Diplomacy in 1949, and began working for the CIA in the Far East and other locations. After marrying his wife Marge 45 years ago, he returned to the States where he raised three bright and independent daughters. His career in the energy industry included TransAmerica, Babcock & Wilcox, and executive director of the American Boiler Manufacturers Association, finally founding the Council of Industrial Boiler Owners. In 1986 Bill was named ''Coal Man of the Year'' by the Washington Coal Council.

In 1978 Bill saw the need for a voice to represent the highly diverse industrial energy user community to bring the facts of the industrial situation, the production base of the United States, to Washington to ensure the development of technically sound, rational and cost-effective energy and environmental legislation and regulations. Bill, through his leadership, initiative, foresight, and perseverance in unifying this group, brought reality to the public policy debates on these issues; and, was instrumental in achieving the dual objective of maintaining a strong industrial energy base and simultaneously improving the environment.

The task that Bill successfully accomplished was extremely important to the long-term economic health of the industrial energy community, and it helped improve the Nation's environment. His accomplishments are numerous and will benefit the United States in ways yet to be seen in the many years to come.

Mr. Speaker, please join me and my colleagues as we recognize, with honor and respect, Mr. Marx's contributions as he retires to enjoy the benefits of this great country he has helped promote and preserve.

TRIBUTE TO MARY KAY LOUCHART

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to Mary Kay Louchart, a dedicated social worker who was honored for her generous service to the community on October 6 at the 1995 St. Benedict the Moor Neighborhood Center's dinner dance, in the South Bronx.

Ms. Louchart is one of eight individuals who were recognized for their remarkable success in helping rehabilitate individuals who had been struggling with substance abuse. The rehabilitation program is being implemented at St. Benedict the Moor Neighborhood Center.

Born and raised in Michigan, Ms. Louchart devoted 10 years to helping Mexican migrants through the Saginaw Catholic Diocese Committee, and another 10 years assisting the elderly with the Saginaw County Commission on Aging.

In 1981 she came to the South Bronx to work with the Grail Team, with whom she remodeled burned out apartments at 383 St. Ann's Avenue and led the community to create the original park and garden. The St. Ann's residence currently houses women and men recovering from drugs and alcohol.

Ms. Louchart is a U.S. delegate to the Grail International Council and serves on the U.S. International Team. She earned a master degree in adult education and an APD in religious studies.

One of her most significant achievements has been through her work at the Bronx Grail Women's Group helping to empower them and to improve their self esteem.

Mr. Speaker, Ms. Louchart's efforts in the community should not pass unnoticed, therefore, I ask my colleagues to join me in recognizing her today on this special occasion.

POLICE OFFICERS KILLED IN THE LINE OF DUTY

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. RAMSTAD. Mr. Speaker, a few months ago I delivered a statement on the occasion of National Peace Officers Memorial Day, a day dedicated to the thousands of peace officers who have given their lives to protect their communities.

I listed the names of 17 Twin Cities' area police officers who were killed by a gunman's bullet since 1970. These names are inscribed on the walls of the National Law Enforcement Officers Memorial, located just a few blocks from the Capitol.

Two other brave Twin Cities officers—John J. O'Brien and John Harold Larson—are also immortalized on the memorial's walls. These two men also sacrificed their lives serving their communities.

Officer John Larson died tragically on August 10, 1974, in a collision with a fire vehicle responding to the same emergency to which he had been called.

On April 16, 1981, Officer John O'Brien was killed in an auto accident resulting from a high-speed chase. John's older brother Frank and younger brother Michael are still serving on the St. Paul police force.

These two men epitomize the finest qualities of our brave men and women in law enforcement—dedicated to serving their communities and selfless in their sense of duty, putting their lives on the line daily for people they may never know and people who may never be able to think them.

Their ultimate sacrifice will live on forever, not only on the walls of the National Law Enforcement Officers Memorial, but also in the hearts of the people they served and the officers who served with them.

On behalf of a grateful State and a grateful Nation, I salute these two brave men and the thousands like them who lay down their lives every day so our streets can be safer and our children have a secure place to grow up.

COALITION BUDGET RECONCILIATION SUBSTITUTE

HON. BILL ORTON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. ORTON. Mr. Speaker, I am submitting for the RECORD an amendment in the nature of a substitute to H.R. 2491, The Seven Year Balanced Budget Reconciliation Act. This amendment reflects the changes to amendment No. 7 which I submitted on Friday. The changes that we have made to our alternative are technical changes that we have made as the Congressional Budget Office has reviewed our language. As a minority within the minority party, we have been at the back of the line in having our substitute scored by CBO. CBO provided us with preliminary estimates on Monday and has continued to supply us with additional scoring throughout the week. We did not receive final scoring of some of the items until a few hours ago. This delay in having our substitute scored has prevented us from submitting our amendment earlier, because we are committed to ensuring that our substitute will balance the budget by 2002.

Most of the changes in this amendment are minor changes in the drafting of individual provisions that were necessary to clarify out intent for CBO. Other minor changes in the amendment were necessary to achieve the savings that we anticipated in certain areas. The changes in the amendment I am submitting today are as follows:

MEDICARE

Based on CBO scoring and interpretation of our Medicare proposal, we had to make several changes in order to achieve the objectives we had set out in our plan:

The capitated payments to Medicare Choice plans was reduced to 6 percent in 1996 through 1998 and to 5.5 percent in 1999 and thereafter. Payments in areas with reimbursements between 85 percent and 100 percent of the national average would be set at 160 percent of the national average. Payments in areas with reimbursements above 120 percent of the national average would be set at 35 percent of the national average;

The freeze on clinical labs and durable medical equipment was extended from 4 years to 7 years;

The medical economic index floor on payments to physicians was reduced to 91 percent in order to achieve the level of saving from physicians we had anticipated; and

We corrected drafting errors to clarify that PPS hospitals were included in the 1-year update freeze and that the 10-percent reduction in capital payments is extended for 7 years. In addition, we corrected effective dates for several provisions.

MEDICAID

Because CBO scored the per capita limits on Medicaid significantly differently than it had scored similar proposals earlier this year, we had to reduce the per-capita growth rate on Medicaid to CPI minus 0.5 percent in 1996 through 1998 and CPI minus 0.3 percent in 1999 and thereafter; and

In order to have the savings from targeting the Disproportionate Share Payments to hospitals with low-income utilization of more than 25 percent scored by CBO we had to write in National DSH limits of $6.5 billion in 1997 and 1998, $5.5 billion in 1999 and 2000 and $5 billion thereafter. These lower national limits are consistent with the savings that will result from targeting DSH payments.

WELFARE REFORM

After reviewing the work provisions and other welfare reform provisions that were in the Deal welfare reform substitute, CBO concluded that the welfare reform provisions would achieve greater savings than it had estimated when the Deal substitute was considered in March. As a result, we have made changes to the welfare reform provisions to remain consistent:

Section 9806, ''Narrowing of SSI Eligibility on the Basis of Mental Impairments'' was dropped; and

The participation rates in the Work First program were increased by 4 percent a year in each year from 1997 through 2001. The new participation rates are 20 percent in 1997, 24 percent in 1998, 28 percent in 1999, 32 percent in 2000 and 36 percent in 2001.

DISCRETIONARY SPENDING LIMITS

The discretionary spending limits were adjusted slightly in each year. The new outlay caps are as follows: $536.6 billion in 1996, $530.2 billion in 1997, $526.1 billion in 1998, $524.2 billion in 1999, $523.3 billion in 2000, $529.5 billion in 2001, and $529.5 billion in 2002.

DEFICIT TARGETS

After receiving final estimates from CBO, we adjusted the deficit targets to reflect the deficit reduction glide path that we anticipate will result from this bill. The deficit targets are as follows: $179.2 billion in 1996, $160.4 billion in 1997, $132.5 billion in 1998, $111 billion in 1999, $85.3 billion in 2000, and $41 billion in 2001.

Mr. Speaker, I encourage my colleagues to review this amendment carefully and join me in voting for ''The Common Sense Balanced Budget Reconciliation Act'' tomorrow.

EAGLE SCOUT HONORED

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues an outstanding young individual from the Third Congressional District of Illinois who has completed a major goal in the Scouting career. Joseph Michael Bulvan, a young man from Boy Scout Troop 475, Saint Daniel the Prophet Parish, Chicago, IL, will be honored at an Eagle Scout court of honor.

It is important to note that less than 2 percent of all young men in America attain the rank of Eagle Scout. This high honor can only be earned by those Scouts demonstrating extraordinary leadership abilities.

Joe has been actively involved in Scouting since September 1985 when he joined Cub Scout Pack 3475. There his enthusiasm and eagerness earned him consecutive years of perfect attendance and Scout of the Year awards. The Parvuli Dei Award, the Christian religious award meaning Family of God, was presented to Joe on behalf of his religious beliefs and practices. Joe also earned the Cub Scout World Conservation Award and reached the highest Cut Scout rank, the Arrow of Light.

Joe began his trail to Eagle Scout in September 1988 when he joined Boy Scout Troop 475. Since that time, he has earned 30 badges, 9 more than were required of him. Joe displayed leadership abilities by serving his troop as den chief, quartermaster, historian, instructor, patrol leader, and senior patrol leader. The Ad Alteri Dei award was presented to Joe for his continued Christian beliefs and knowledge of the sacraments. His duty to country was displayed various times when Joe marched in the annual Memorial Day parades paying tribute to our veterans. He also helped organize a collection of basic necessities and support letters for the troops in Desert Storm. He volunteered his help to homeless shelters, soup kitchens, handicapped functions, and visited nursing homes. Joe was in charge of a clothing drive to benefit the Saint Vincent DePaul Society and the homeless.

Joe put his camping and scouting skills to use on numerous weekend campouts and his five summer camp excursions to Owasippe Boy Scout Camp in Whitehall, MI. He also had the opportunity to be part of the 1993 National Jamboree held at Fort A.P. Hill, VA. Joe again earned the World Conservation Award, this time at the Boy Scout level. His fellow scouts honored him by electing him into the Order of the Arrow, a brotherhood of fellow campers.

In light of the commendable leadership and courageous activities performed by this fine young man, I ask my colleagues to join me in honoring Joseph Michael Bulvan for attaining the highest honor in Scouting—the rank of Eagle. Let us wish him the very best in all of his future endeavors.

TRIBUTE TO RON NOWACZYK

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. CAMP. Mr. Speaker, I rise today to honor Ron Nowaczyk as he is recognized for his vast contribution to polka and the State of Michigan. Ron Nowaczyk was inducted into the State of Michigan Polka Music Hall of Fame on Sunday, October 1, 1995.

America was built by the hard work and commitment of settlers who brought with them a rich and varied heritage. Polka flourished in Michigan largely due to the devotion of those who brought with them their families' traditions and customs, as well as their love of polka. Ron is one of those special individuals who is proud to keep an honored tradition alive.

Ron Nowaczyk of Saginaw, MI started his musical career as a drummer for a band he and his friends called the Melody Boys. Over the past 40 years, Ron has been privileged to play the drums for several bands including the Jimmy Chronowski Band, John's Polka Band, and the Andy Nester Band. He even recorded two albums with the John Lipinski Orchestra. He was awarded the European American Music Award from radio station WOAP in 1994, and currently volunteers and serves as a radio personality on WKNX in Frankenmuth, MI.

Mr. Speaker, thanks to Ron's efforts, we are all able to enjoy an old musical tradition from

many years ago. He was honored at a reception in Owosso, MI because of his dedication and commitment to spreading the polka tradition and helping others enjoy this special music. I am confident that the musical legacy of this outstanding individual will be remembered for decades to come.

PERSONAL EXPLANATION

HON. CHARLES H. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. TAYLOR of North Carolina. Mr. Speaker, on October 24, I was absent due to a family medical emergency and thus missed roll no. 733, the vote on the Senior Citizens Housing Safety and Economic Relief Act of 1995 and roll no. 734, the vote on the Jerusalem Embassy Act of 1995. Had I been present, I would have voted ''yea'' on both of these measures.

TRIBUTE TO STEFAN R. ZUCKER

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Stefan R. Zucker, who was honored for his service in aiding individuals to recover from their substance abuse problems on October 6, at the 1995 St. Benedict the Moor Neighborhood Center's dinner dance, in the South Bronx.

Mr. Zucker is one of eight individuals who were recognized for their remarkable success in helping rehabilitate individuals who had been struggling with substance abuse. The rehabilitation program is being carried out at St. Benedict the Moor Neighborhood Center.

Born in Germany in a U.N. refugee relief camp, young Stefan Zucker came to the United States in 1949 at the age of 3. He graduated from Muhlenberg College and obtained a master's degree in anthropology from Hunter College.

Mr. Speaker, Mr. Zucker's achievements in the community are in addition to his important work as a teacher. He has dedicated 20 years to teaching students at the elementary school level and served as a coordinator of the community school program at Public School 30. In 1992, he received the Samuels Award for Excellence in Teaching from the Fund For New York City Public Education.

Mr. Speaker, I ask my colleagues to join me in honoring Mr. Zucker, an individual who has made the United States his home and who through his tireless efforts has contributed greatly to our community.

INTRODUCTION OF THE CORPORATE RESPONSIBILITY ACT

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. SANDERS. Mr. Speaker, it is now crystal clear: When it comes to cutting corporate welfare the Republican majority in charge of the 104th Congress does not get it. They are determined to balance the Federal budget during the next 7 years on the backs of the most vulnerable Americans—our Nations' sick, elderly, and children.

Corporate welfare programs in the Federal budget add as much as $125 billion to the Federal deficit every year.

But Speaker GINGRICH and the Republican budget that will probably be approved by the Republican majorities in the House and Senate cut virtually nothing from corporate welfare over the next 7 years. Instead, they prefer to slash Federal funding for programs for millions of Americans who are struggling to provide for themselves and their families and for some measure of economic security.

Like many Americans, the members of the Progress Caucus ask this fundamental question: Why won't the Republican majority cut the immense corporate welfare benefits provided every year by the Federal Government to very profitable corporations and wealthy Americans as an essential component of any fair plan to balance the Federal budget during the next 7 years?

This is very unfair. There is a better way. That is why today several members of the 49-member Progressive Caucus and myself introduced legislation to cut $800 billion in corporate welfare over the next 7 years. We call our legislation the Corporate Responsibility Act and it represents one of the foundations of the 11-part Progressive Caucus alternative to the Contract With America and the rest of the GOP agenda in the 104th Congress.

We have identified dozens of tax breaks, subsidies and other Federal benefits for corporations and upper income taxpayers which should be considered for cutting or elimination. These cuts would save $570.8 billion over a 5-year period according to estimates by respected economists such as the Congressional Budget Office and the Joint Tax Committee of the Congress.

Some of these programs are outright subsidies, such as for Export-Import Bank loans. Others are indirect subsidies through charging less than market rates—or nothing at all—for goods and services sold to corporations—for example uranium enrichment, irrigation water, use of public land for grazing. Still others are indirect subsidies through Government purchases for unnecessary programs, such as the strategic petroleum reserve or the space station.

Tax expenditures are special provisions of the Tax Code which reduce rates, increase deductions, provide advantageous depreciation, or otherwise reduce the taxes corporations and wealthy individuals pay.

A number of reports have been issued on the subject of corporate welfare in recent months, and we have used data from all of them. However, every selection of programs that can be cut involves choices, and the principles that guided our selection should be made clear. In general, we have chosen to favor: Family farms over agribusiness; small businesses over multinational corporations; domestic investment and job creation as opposed to offshore production; consumer health and safety over short-term profitability; and sustainable economic development over environmental exploitation.

We have emphasized supporting the needs of the average working people of America and cutting programs in which taxpayers' money is used to help companies and wealthy individuals who can, and should, be self-sufficient.

A summary of this 80-page bill is available through my office. In it, the corporate welfare programs are grouped by the industries which benefit from them and are listed with estimates of their cost over a 5-year budget period based on the sources cited at the end of the summary. Projections were then estimated for an additional 2-year period to have some rough frame of reference for different approaches to balancing the Federal budget over the next 7 years.

THE 25TH ANNIVERSARY OF THE CREDIT UNION SHARE INSURANCE FUND

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. VENTO. Mr. Speaker, I rise to recognize the 25th anniversary of the Credit Union Share Insurance Fund which was celebrated earlier this month.

I would like to include for the RECORD a message from President Clinton commemorating the 25th anniversary of the NCUSIF and join him in congratulating credit unions for the key role they play in so many communities across the Nation.

I think it is especially important to recognize the unique role that credit unions play now that Republican proposals are being pushed that would force credit unions to pay for Financing Corporation [FICO] bonds. The credit union NCUSIF is a fund totally separate and distinct from those at the Federal Deposit Insurance Corporation that insure banks and thrifts. In fact, the credit union movement recapitalized and stabilized the NCUSIF itself, without any taxpayer or government support in the late 1980's. Charging credit unions for the FICO bonds used to pay for the problems of the thrift industry is not appropriate and could be the first step toward loading down and hindering credit unions. The next step could fold the entire credit union movement under the banks and thrifts deposit insurance fund rubric and shift complete control to the Treasury, Federal Reserve Board, and the FDIC.

THE WHITE HOUSE,

Washington, DC, October 11, 1995.

I am delighted to join in celebrating the twenty-fifth anniversary of federal share insurance for America's credit unions.

Credit unions play an integral part in the development of our communities and in the financial stability of millions of families. Providing fair loans, sound fiscal advice, and high quality consumer services to their members, credit unions have earned the trust of their shareholders and the respect of financial institutions throughout our nation.

The creation of share insurance for credit unions has played a vital role in this success story, helping to guarantee continued stability in the industry and peace of mind for the millions of Americans who rely on these unique financial institutions every day. I commend the members of the NCUA and all who have helped to make this legislation so effective over the past quarter-century. All of you can be proud of your commitment to the ongoing growth and prosperity of our nation.

Best wishes for a wonderful celebration and every continued success.

BILL CLINTON.

EXTRAORDINARY COMMUNITY ACTIVISM

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. SCHUMER. Mr. Speaker, I rise today in honor of an extraordinary story of community activism in Windsor Terrace, Brooklyn, a neighborhood guided by the strength of its parish. Local neighborhood bartender, Jimmy Houlihan, in a casual conversation with Rev. Dennis Farrell of Holy Name Church, learned of the ailing physical condition of the church's grade school. Anyone from Windsor Terrace knows that Farrell's Saloon, the bar where ''Houlie'' works, is also a solid neighborhood landmark well known for its involvement in community events.

As one who understands the importance of helping his fellow neighbors, Houlie immediately began soliciting others to paint the schools' 33 classrooms. He called upon Charlie Kawas, a firefighter for the New York Fire Department and a graduate of Holy Name School, to gather support among his friends and neighbors for this altruistic undertaking. Since almost everyone in the community had either gone to Holy Name or had children who currently attended, it was not long before their volunteer list reached 300 enlistees.

Through the efforts of Kawas, the entire community of Windsor Terrace became actively involved in the preparation and planning of this painting project. Local merchants also devoted resources to the painting crew, providing coffee, bagels, food, and beer. Farrell's donated money for the party afterward and the parish donated the paint.

The people of Windsor Terrace prove once again that community activism still exists in America. Men and women gave up a day off, donated money and resources and joined hands with their fellow parishioners to improve the appearance of their local school. This overwhelming tale serves as an inspiration to every community in every city in America. I commend these courageous and thoughtful citizens for exhibiting the true spirit of community and public service.

TRIBUTE TO SAMUEL BRAEN

HON. WILLIAM J. MARTINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. MARTINI. Mr. Speaker, I rise today to honor a very special resident of the Eighth Congressional District. Tonight in my congressional district there will be a ceremony honoring Mr. Samuel Braen, the 1995 Man of the Year for the Boys and Girls Club of Paterson. Mr. Braen was selected for this honor in recognition of his long history of involvement in civic and business interests throughout northern New Jersey and particularly for his philanthropic activities especially those focusing on youth. Mr. Braen joins a select group of 29 distinguished men and women who have helped raise hundreds of thousands of dollars for the Boys and Girls Clubs in Paterson through the annual man of the year honor.

Samuel Braen is the chairman/CEO of Stone Industries, Inc., located in Haledon, NJ. The company is in the crushed stone and aggregate business. They are major suppliers of stone, aggregate, and asphalt in the northern New Jersey and southern New York area. Mr. Braen represents the fourth generation of his family in this industry.

Mr. Braen has lived in Wyckoff, NJ, all of his life. He was educated in the local schools and after graduation Ramapo High School he attended Shelton College before his involvement in the family business. He has many years experience in the road construction, aggregate and road building industry. Many major highways, bridges, schools, and hospitals were built in Bergen and Passaic Counties by the Braen family.

Mr. Braen is married to the former Janet Knapp and they have six children and two grandchildren. Sam spends most of his weekends involved with his children in sports activities such as football, basketball, tennis, and golf.

Mr. Braen is very involved in many civic, business, and trade organizations. Some of these organizations include the board of trustees of the Wyckoff Library, advisory board of the Atlantic stewardship bank, the past president of the Wyckoff Rotary Club, executive board of the Passaic Valley Council of the Boy Scouts, Society of the Valley Hospital, life member of the Wyckoff Fire Department and Exempt Association, the New Jersey Asphalt Paving Association, and the board of trustees of Steven's Institute of Technology.

Mr. Speaker, I know you will join me in congratulating Sam Braen for the contributions he has made to his community.

TRIBUTE TO ROLAND JONATHAN LEWIS

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Roland Jonathan Lewis, who was honored for his outstanding contribution to the community on October 6 at the 1995 St. Benedict the Moor Neighborhood Center's Dinner Dance, in the South Bronx.

Mr. Lewis is one of eight individuals who were recognized for their remarkable success in helping rehabilitate individuals who had been struggling with substance abuse. The rehabilitation program is being implemented at St. Benedict the Moor Neighborhood Center.

Mr. Lewis earned his bachelor of arts degree from Columbia University, and both a master's in regional planning and a juris doctor's from Rutgers University.

Lewis is currently a partner at Dellapa & Lewis where he had been successful in facilitating the development of affordable housing projects. He is married to Faye Lewis and has two children.

Mr. Speaker, I ask my colleague to join me in honoring Roland Lewis for the generous service rendered for the benefit of our community.

FUNDING FOR JUDICIAL GENDER, RACIAL FAIRNESS TASK FORCES

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. GEPHARDT. Mr. Speaker, I rise today in support of funding for judicial gender and racial fairness task forces.

The Violence Against Women Act of 1994 authorized research and education programs to enhance judicial knowledge and awareness of domestic violence and sexual assault. The act authorized $700,000 for Federal court task forces studying gender and racial bias in the Federal judicial system. The Commerce, Justice, State, and judiciary appropriations bill as passed by the House included the full $700,000 authorized by VAWA; the Senate version did not fund these important task forces. I would like my colleagues on the conference committee to stand firm for the House position and also that you fully fund the VAWA.

It is essential that funding for these important task forces be retained. To date, at least 40 reports on gender bias and racial bias have been issued by Federal and State task forces on gender and racial fairness. Many of the improvements suggested by these reports have been implemented.

Several years ago the court system in my home State of Missouri conducted a gender bias study which was received favorably by the legal community and the State judiciary. This study revealed that gender bias is a very real problem in the courts. It identified several key problems which ranged from the unequal treatment of women and minority witnesses, to statements of outright bias from judicial officers directed both to lawyers and to litigants.

To preserve the integrity of our judicial system, it is essential that bias be identified and eliminated. Gender and racial bias task forces are part of a longstanding effort on the part of Federal courts to look closely at their own performance in an effort to improve the administration of justice. Continued funding for these task forces is essential if the judicial process is to be fair to all, regardless of gender or race.

Mr. Speaker, I encourage my colleagues to support funding of these task forces for their continued efforts to ensure that all persons are treated equally in our Federal courts.

IN HONOR OF CHIEF DAVID G. WALCHAK

HON. CHARLES F. BASS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. BASS. Mr. Speaker, it gives me great pleasure today to rise to pay tribute to David G. Walchak, Chief of Police for the city of Concord, NH, as he becomes the 83d President of the International Association of Chiefs of Police.

Chief Walchak has a long and distinguished record of service as a law enforcement officer, going back to his days as a patrolman for the LaCrosse, WI, Police Department in the 1960's. David Walchak also excelled in law

enforcement positions in Minnesota and, for many years, in Maine, where he served as the director of the Maine Criminal Justice Academy and the law enforcement director of the Maine Municipal Association.

For the past two decades, David Walchak has served as the chief law enforcement officer for the city of Concord, NH, the capital of our great State. He has earned the respect and admiration of the citizens of Concord, the city's elected leaders, his police department, and his colleagues from around New Hampshire and around the country.

Chief Walchak has served as the First Vice-President of the International Association of Chiefs of Police and serves on numerous professional and civic boards at the local, State, and Federal levels. His long record of dedication to the field of law enforcement speaks volumes about his character, his honor, and his respect for the law.

I know that his family and friends are very, very proud of his accomplishments, and I know that he will do a fantastic job as President of the International Association of Chiefs of Police.

Mr. Speaker, I ask all of my colleagues to join me in congratulating Chief Walchak in his new role representing law enforcement officers from around the country and across the globe.

COMMENDS PRESIDENT CLINTON FOR SUPPORTING ENDA

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. FARR of California. Mr. Speaker, I rise today to commend President Clinton for supporting the Employment Non-Discrimination Act [ENDA]. This act seeks to extend Federal employment discrimination protections currently provided based on race, religion, gender, national origin, age, and disability to include sexual orientation under title VII of the Civil Rights Act. It does not create any special rights for lesbians and gay men.

The bill prohibits employers from subjecting an individual to different standards or treatment because of that individual's sexual orientation. Hiring quotas are expressly prohibited. ENDA applies to Federal, State and local governments, including U.S. Congress. There are certain exemptions to this legislation which include small businesses, the Armed Forces, and religious organizations.

ENDA ensures that all Americans will be able to keep their jobs based on their performance and quality of work, regardless of sexual orientation. The bill is designed to protect the rights of all Americans to participate in the job market without the fear of unfair discrimination. Professional skills and job performance should be the sole factors by which employers judge their employees.

I am pleased that the President decided to endorse this very important piece of legislation. Currently, discrimination in employment on the basis of sexual orientation is legal in 41 States. Forty-one States. It shocks me that this blatant discrimination continues in our society. Solid, upstanding citizens in all walks of life—businessmen and women, doctors, lawyers, teachers, artists, and others—are subject to unfair treatment in the workplace simply because of their sexual orientations. The fact that sexual orientation has nothing to do with the quality of work product does not seem to matter in the face of this most onerous discrimination. Legislation such as ENDA is definitely needed. While the Federal Government is still trying to pass this bill, many local jurisdictions in my State of California have already enacted antidiscrimination laws.

I am an original cosponsor of the Employment Non-Discrimination Act. This bill is about ending discrimination in the workplace. Every American gay or not, deserves the right to equal opportunity. Discrimination continues to exist in our society and must be fought. We all must be willing to create jobs for all people who want to work and we must dedicate ourselves to end the hate which continues to plague our country.

RECOGNITION OF JUDE HARRINGTON

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. SHUSTER. Mr. Speaker, far too often the work of the men and women who are charged with preserving our Nation's natural resources goes unnoticed. These individuals, many of whom dedicate their lives toward maintaining America's treasures are rarely recognized for the importance of the service which they provide.

Mr. Speaker, I rise today to pay tribute to such an individual from my own congressional district; Mr. Jude Harrington of Huntingdon, PA. A native of Pennsylvania, Mr. Harrington began his career with the U.S. Army Corps of Engineers in 1980 as a student intern with the Pittsburgh district. He received a bachelors degree in parks and recreation from Slippery Rock University in 1982. After graduating from Slippery Rock, Jude has served the corps at several different locations and in the process has earned a solid reputation as a man of integrity and conviction.

Since 1992, Jude has served as the supervisory ranger for Raystown Lake. His work at the lake has enabled it to become one of the largest tourist and recreation attractions in my district. In fact, last year 1.3 million people traveled to rural Pennsylvania to visit Raystown Lake. Mr. Harrington's primary responsibilities at Raystown are centered upon the management of the lake's natural resources and recreation programs.

Recently, the U.S. Army Corps of Engineers selected Jude Harrington as the National Resources Management Employee of the Year. The corps hand-picked Jude out of a field of a possible 1,200 candidates from across the Nation. They recognized what we in the Ninth District have known for years, that Jude Harrington is the best of the best when it comes to natural resources management. His work on behalf of Raystown Lake is a testament to both his love for the area and his commitment to the preservation of natural resources. I will close by thanking Jude Harrington for his service to Raystown Lake and congratulating him on being recognized for this honor which he richly deserves.

TRIBUTE TO MICHAEL A. BENJAMIN

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Michael A. Benjamin, an active community leader and a dear friend who was honored for his outstanding contribution to health community issues on October 6 at the 1995 St. Benedict the Moor Neighborhood Center's Dance Dinner, in the South Bronx.

Michael A. Benjamin is one of eight individuals who were recognized for their remarkable achievements in helping rehabilitate individuals who had been struggling with substance abuse problem. The rehabilitation program is being implemented at St. Benedict the Moor Neighborhood Center.

A Bronx resident, Mr. Benjamin started his career as an alcoholism counselor. He served in this capacity at various centers over a 7-year period, including Hunts Point Multi Service Corp., Prospect Hospital, Dr. Martin Luther King Jr. Health Center, and Our Lady of Mercy Medical Center.

After his exemplary career as a counselor, Michael worked as a special assistant to Assemblyman Hector Diaz. I had the privilege of bringing him on board in this same capacity while I was serving the N.Y. Assembly, just before I was elected to Congress.

Michael presently serves as parliamentarian of the executive committee of the Bronx Democratic County Committee and is a member of the community advisory board of the Morrisania Diagnostic and Treatment Center. He also served as chairman of the Youth Services Planning Committee and has sat on various committees and boards, including the South Bronx People For Change Anti-Drug Committee, the New York Lung Association Minority Task Force, and the Community Advisory Board at the Bronx Alcohol Treatment. He earned a bachelor of arts degree in political science at Syracuse University and has done graduate work at State University of New York.

Mr. Speaker, I ask my colleagues to join me in honoring Michael Benjamin for his success and lifelong commitment to community health issues.

PROVIDING RELIEF FOR AKZO NOBEL CHEMICALS

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mrs. COLLINS of Illinois. Mr. Speaker, today I am introducing legislation on behalf of a company in my congressional district, Akzo Nobel Chemicals of Chicago, that seeks to provide Federal relief to them for their past overpayments of U.S. Customs import duties.

In 1992, the Federal Government mistakenly collected excess import duties and Akzo Nobel has now exhausted all administrative remedies to recover money that rightfully is theirs. The U.S. Customs Service seems to agree with Akzo that the imported goods in question should have carried with them a lower duty

rate, but at this point in time Customs' hands are tied, so to speak, in that the Service cannot refund the overpayments absent legislation requiring them to do so.

Therefore, the bill I am introducing today provides for the reliquidation of relevant customs entries, which would ensure that Akzo Nobel will have paid only the duties required by law and will receive compensation only for the excess import duties mistakenly charged them.

Last year the House Ways and Means Committee agreed to incorporate the language of my bill as an amendment to the GATT implementing legislation. Unfortunately, this language, along with other similar provisions, were not retained in the conference agreement.

I want to strongly emphasize that this legislation is not a ''gimme.'' This bill is intended to right a wrong done to my constituent: It is intended to refund excess import duties that Akzo Nobel paid due to a series of other people's errors, including errors by the U.S. Government.

I am hopeful that my bill will move swiftly through the legislative process and finally rectify an unfortunate situation. I urge my colleagues to join me in support of this important and fair initiative.

CANCER-RELATED INSURANCE REFORM—COVERAGE OF CLINICAL TRIALS

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. COLEMAN. Mr. Speaker, clinical trials provide the best available treatment for many patients with cancer, AIDS, and other life-threatening diseases, for whom standard therapies offer a limited chance for survival or enhanced quality of life. This is particularly true for children with cancer, over 60 to 70 percent are treated in clinical trials.

However, many health care insurers refuse to reimburse patient care costs which result from participating in clinical trials by claiming such therapy is ''investigational'' or ''experimental.'' When this happens, individuals cannot receive what potentially may be the best treatment for their condition unless they can afford to pay significant out-of-pocket expenses often running into thousands of dollars. Unless these patient care costs are included in a standard benefits package, it is likely that the reformed system will evolve into one of two tiers of care—potentially one in which only the wealthy have access to the best anticancer treatments.

Reimbursement denials impede the ability to conduct effective and timely clinical research by increasing administrative burdens on medical institutions and reducing the number of patients eligible to participate in trials. If reimbursement is not available, fewer hospitals will be willing to participate in clinical research and the opportunity to test new and effective treatments will be lost. The data collected while providing state-of-the-art care to patients in clinical trial advance medical science and improve our ability to provide cost-effective therapies.

COVERAGE OF UNLABELED DRUG USES

Between one-half and three-fourths of all anticancer therapy involves uses of drugs for purposes other than those described in FDA-approved labeling. Frequently insurers will refuse to reimburse so-called ''unlabeled'' uses of approved anticancer drugs referring to the treatment as ''experimental'' or ''investigational''.

This trend has been criticized by the FDA as depriving the patients of the most effective therapy as well as discouraging drug development. The FDA has made it clear that the drug's label is in no way intended to regulate or restrict the ability of practicing doctors to use the drug for other purposes consistent with their professional judgment. Additionally, many of the unlabeled uses are for a combination of drugs. The FDA does not routinely approve combinations of drugs.

Any health care reform measure should include coverage of unlabeled drug uses in the treatment of cancer and other life-threatening diseases which has been referenced in the medical compendia or other peer-reviewed literature.

ACCESS TO SPECIALIZED CARE

The rapid increase in the number of managed care systems across the country has led to growing concerns regarding the ability to access specialized cancer care. For example, often managed care plans do not include any pediatric oncologist in their networks. If no specialized care is available, the individual is often penalized for going outside of the network to find the proper care.

Managed care plans should contract with a sufficient number of oncologists and specialized cancer centers or allow the members to go outside of the network without penalization.

Managed care enrollees should have appropriate access to specialists providing cancer screening and diagnosis, as well as treatment. Timely screening and referral to specialized care not only saves lives, but also contributes to a more cost-effective and efficient health care system.

HONOR LEON KLINGHOFFER'S MEMORY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. SCHUMER. Mr. Speaker, 10 years ago this month the world changed forever for the family of Leon Klinghoffer. A decade ago a gang of coldblooded Palestinian terrorists brutally shot Mr. Klinghoffer and threw his body into the sea. Nothing can ever repair the mindless horror that act of terror visited upon the innocent. Nothing can replace the love of a husband and father.

Yet we can learn from this cowardly act of terror and others like it. Indeed we must learn from it if we are to survive as a free Nation in a world stalked by the terrorist gun and bomb. First, we must understand that terrorism has gotten more dangerous to the United States since Leon Klinghoffer's murder. The bombing of the World Trade Center shattered the last hope that America would be spared the lash of international terrorism. America is a target. It will be hit again and again unless we act strongly.

Second, terrorism is becoming more and more lethal. The grotesque carnage of the Oklahoma City bombing may be only the beginning. Terrorists now have in their grasp technology capable of creating horror unthinkable 10 years ago. All Americans are at risk, here and abroad.

I urge my colleagues: Do not forget Leon Klinghoffer. Honor his memory by standing up now for strong action against international and domestic terrorism. Join me in seeking discharge of the terrorism bill. Do it now.

TRIBUTE TO MICHAEL THOMAS DOYLE

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Michael Thomas Doyle, who was honored, on October 6 at the 1995 St. Benedict The Moor Neighborhood Center's dinner dance, for his leadership and guidance.

Mr. Doyle is one of eight individuals who were recognized for their remarkable success in helping rehabilitate individuals who had been struggling with substance abuse. The rehabilitation program is being implemented at St. Benedict The Moor Neighborhood Center.

Born in Manhattan, raised in the South Bronx and currently residing in the Bronx, Mr. Doyle's commitment to his community began early. While attending DeWitt Clinton High School in the late sixties, he volunteered his time as a tutor at an after school program sponsored by St. Peter's Lutheran Church in the South Bronx. Later, as a full time sophomore at City College of New York, he became the director of that program, working with troubled youths and youthful offenders. Mr. Doyle did not stop there; as part of his college studies, he became a student teacher at St. Peter's School and Brandeis High School.

Upon graduation from City College in 1974 with a B.A. in English, Mr. Doyle worked in the New York State Office of Drug Abuse Services. He served as a drug treatment assistant at a residential center specializing in the treatment and detoxification of adult men.

Mr. Doyle's commitment to our community is demonstrated by these and many more accomplishments within his illustrious communal services career. His appointment as the area director of The Bronx Operations in 1995 is further evidence. He is now responsible for 6,900 occupied units of In-Rem housing for the city of New York.

Mr. Speaker, I ask my colleagues to join me in recognizing Michael Thomas Doyle for his endeavors in an area that provides an invaluable service to our community.

Daily Digest

HIGHLIGHT

House passed the budget reconciliation bill.

Senate

Chamber Action

Routine Proceedings, pages S15707–S15771

Measures Introduced: Three bills were introduced, as follows: S. 1364–1366. **(See next issue.)**

Measures Reported: Report made as follows:

S. 848, to grant the consent of Congress to an amendment of the Historic Chattahoochee Compact between the States of Alabama and Georgia.

(See next issue.)

Budget Reconciliation: Senate continued consideration of S. 1357, to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996, taking action on motions/amendments pending thereto:

Pages S15707–70

Adopted:

(1) By a unanimous vote of 99 yeas (Vote No. 500), Abraham Amendment No. 2950, to establish beneficiary incentive programs to collect information on fraud and abuse against the Medicare program and to collect information on program efficiency.

Page S15707

(2) By a unanimous vote of 99 yeas (Vote No. 504), Kassebaum Amendment No. 2962, to strike the provisions relating to loan payments from institutions, the elimination of the grace period interest subsidy, and the PLUS loan interest rate and rebate.

(See next issue.)

(3) By a unanimous vote of 99 yeas (Vote No. 507), McCain Amendment No. 2964, to express the sense of the Senate regarding the need to raise the Social Security earnings limit. **(See next issue.)**

(4) By 79 yeas to 20 nays (Vote No. 508), Helms Amendment No. 2965, to allow senior citizens to continue to choose their doctors. **(See next issue.)**

(5) By a unanimous vote of 99 yeas (Vote No. 509), Brown Amendment No. 2969, to provide that the $1,000,000 limit on deductibility of compensation paid to an employee is extended to employees of all businesses, and to use the resulting revenues to reduce the Social Security earnings penalty.

(See next issue.)

(6) By 60 yeas to 39 nays (Vote No. 513), Chafee/Conrad Amendment No. 2973, to guarantee coverage under the Medicaid program for low-income aged, blind, and disabled individuals eligible for supplemental security income benefits under title XVI of the Social Security Act. **(See next issue.)**

(7) By a unanimous vote of 99 yeas (Vote No. 515), Bond/Pryor Modified Amendment No. 2975, to increase the health insurance deduction for self-employed individuals and to strike the long-term care insurance provisions. **(See next issue.)**

(8) Snowe Amendment No. 2976, to express the sense of the Senate regarding the coverage of treatment of breast and prostate cancer under Medicare.

(See next issue.)

Rejected:

(1) By 46 yeas to 53 nays (Vote No. 499), Rockefeller motion to commit the bill to the Committee on Finance, with instructions, regarding Medicare.

Page S15707 (continued next issue)

(2) Bradley motion to commit the bill to the Committee on Finance, with instructions, regarding Earned Income Tax Credit. (By 53 yeas to 46 nays (Vote No. 501), Senate tabled the motion.)

Pages S15707–13 (continued next issue)

(3) Graham motion to commit the bill to the Committee on Finance, with instructions, regarding Medicaid. (By 51 yeas to 48 nays (Vote No. 502), Senate tabled the motion.)

Pages S15713–33 (continued next issue)

(4) Kennedy Amendment No. 2959, to strike those provisions that impose higher student loan costs on students and families. (By 51 yeas to 48 nays (Vote No. 503), Senate tabled the motion.)

Pages S15733–50 (continued next issue)

(5) Bumpers motion to commit the bill to the Committee on Finance, with instructions, regarding

deficit reduction. (By 53 yeas to 46 nays (Vote No. 505), Senate tabled the motion.)

Pages S15750–57 (continued next issue)

(6) By 46 yeas to 53 nays (Vote No. 512), Byrd/Ford Amendment No. 2972, to strike the reductions in highway demonstration projects and to provide an offsetting revenue increase. **(See next issue.)**

(7) Breaux Amendment No. 2963, to provide for a partially refundable child tax credit. (By 53 yeas to 46 nays (Vote No. 514), Senate tabled the amendment.) **(See next issue.)**

(8) Biden motion to commit the bill to the Committee on Finance, with instructions, regarding a tax deduction for costs of college education. (By 55 yeas to 44 nays (Vote No. 516), Senate tabled the motion.) **(See next issue.)**

Withdrawn:

(1) Brown Modified Amendment No. 2949 (to instructions of Rockefeller motion to commit), instructions that the committee should consider the findings of the trustees of the Federal Insurance Trust Fund. **Page S15707 (continued next issue)**

(2) Harkin Amendment No. 2957 (to Amendment No. 2950), to strengthen efforts to combat Medicare waste, fraud and abuse.

Page S15707 (continued next issue)

(3) Nickles/Brown Amendment No. 2958 (to instructions of Bradley motion to commit the bill), to increase the Earned Income Tax Credit for families.

Page S15707 (continued next issue)

During consideration of this bill today, the following action also occurred:

By 46 yeas to 53 nays (Vote No. 506), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate rejected a motion to waive certain provisions of the Congressional Budget Act with respect to consideration of the Baucus motion to commit the bill to the Committee on Finance, with instructions, regarding rural restoration. Subsequently, a point of order that the motion was in violation of the Congressional Budget Act was sustained, and the motion was ruled not in order.

Pages S15757–70 (continued next issue)

By 43 yeas to 56 nays (Vote No. 510), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate rejected a motion to waive section 305(b)(2) of the Congressional Budget Act with respect to consideration of Harkin Amendment No. 2970, to strengthen efforts to combat Medicare waste, fraud and abuse. Subsequently, a point of order that the amendment was in violation of the Congressional Budget Act was sustained, and the amendment thus fell. **(See next issue.)**

By 25 yeas to 74 nays (Vote No. 511), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate rejected a motion to waive section 305(b)(2) of the Congressional Budget Act with respect to consideration of McCain Amendment No. 2971, to eliminate corporate welfare in Federal programs. Subsequently, a point of order that the amendment was in violation of the Congressional Budget Act was sustained, and the amendment thus fell. **(See next issue.)**

By 47 yeas to 52 nays (Vote No. 517), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate rejected a motion to waive certain provisions of the Congressional Budget Act with respect to consideration of Dorgan Amendment No. 2977, to end deferral for United States shareholders on income of controlled foreign corporations attributable to property imported into the United States. Subsequently, a point of order that the amendment was in violation of the Congressional Budget Act was sustained, and the amendment thus fell. **(See next issue.)**

Pending:

Gramm Amendment No. 2978, to provide states additional flexibility in providing for Medicaid beneficiaries. **(See next issue.)**

Kerry/Kennedy Amendment No. 2979, to express the sense of the Senate that the Senate should debate and vote on whether to raise the minimum wage before the end of the first session of the 104th Congress. **(See next issue.)**

Domenici (for Murkowski/Johnston) Amendment No. 2980, of a technical nature. **(See next issue.)**

Kennedy/Kassebaum Amendment No. 2981, to strike the provision allowing the transfer of excess pension assets. **(See next issue.)**

Wellstone Amendment No. 2982, to eliminate the tax deduction for oil drilling, to eliminate the corporate minimum tax provisions, to eliminate the foreign earned income exclusion, and to eliminate the section 936 possession tax credit. **(See next issue.)**

Pryor/Cohen Amendment No. 2983, to provide for the continuation of requirements for nursing facilities in the Medicaid program. **(See next issue.)**

Senate will continue consideration of the bill on Friday, October 27, 1995.

Messages From the House: **(See next issue.)**

Communications: **(See next issue.)**

Petitions: **(See next issue.)**

Executive Reports of Committees: **(See next issue.)**

Statements on Introduced Bills: **(See next issue.)**

Additional Cosponsors: **(See next issue.)**

Amendments Submitted: **(See next issue.)**

Notices of Hearings: **(See next issue.)**

Authority for Committees: **(See next issue.)**

Additional Statements: **(See next issue.)**

Record Votes: Nineteen record votes were taken today. (Total–517) **(See next issue.)**

Recess: Senate convened at 9 a.m., and recessed on Friday, October 27, 1995 at 12:23 a.m., to reconvene at 9:15 a.m. the same day. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S15771.)

Committee Meetings

(Committees not listed did not meet)

BUSINESS MEETING

Committee on Banking, Housing, and Urban Development: Committee ordered favorably reported the following business items:

S. 1260, to reform and consolidate the public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, with an amendment in the nature of a substitute; and

The nominations of Dwight P. Robinson, of Michigan, to be Deputy Secretary, John A. Knubel, of Maryland, to be Chief Financial Officer, Hal C. DeCell III, of Mississippi, to be an Assistant Secretary, and Kevin G. Chavers, of Pennsylvania, to be President, Government National Mortgage Association, all of the Department of Housing and Urban Development, Joseph H. Neely, of Mississippi, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation, Alicia Haydock Munnell, of Massachusetts, to be a Member of the Council of Economic Advisers, Norman S. Johnson, of Utah, and Isaac C. Hunt, Jr., of Ohio, both to be Members of the Securities and Exchange Commission, and Albert James Dwoskin, of Virginia, to be a Director of the Securities Investor Protection Corporation.

FEDERAL FOREST MANAGEMENT

Committee on Energy and Natural Resources: Subcommittee on Forests and Public Land Management held oversight hearings to review alternatives to federal forest management and ownership, receiving testimony from Sally K. Fairfax, University of California, Berkeley; Jon A. Souder, Northern Arizona University, Flagstaff; and Curtis Johnson, Pierre, South Dakota, and Jim Magagna, Cheyenne, Wyoming, both on behalf of the Western States Land Commissioners Association.

Hearings continue on Thursday, November 2.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following business items:

The nominations of R. Guy Cole, Jr., of Ohio, to be United States Circuit Judge for the Sixth Circuit, Susan J. Dlott, to be United States District Judge for the Southern District of Ohio, Stephen M. Orlofsky, to be United States District Judge for the District of New Jersey, Barry Ted Moskowitz, to be United States District Judge for the Southern District of California, John R. Tunheim, to be United States District Judge for the District of Minnesota, and Juan Abran DeHerrera, to be United States Marshal for the District of Wyoming;

H.R. 660, to modify the exemption from certain familial status discrimination prohibitions granted to housing for older persons, with an amendment in the nature of a substitute;

S. 848, to grant the consent of Congress to an amendment of the Historic Chattahoochee Compact between the States of Alabama and Georgia; and

S. 1136, to control and prevent commercial counterfeiting, with an amendment.

SADDLEBACK MOUNTAIN—ARIZONA SETTLEMENT ACT

Committee on Indian Affairs: Committee concluded hearings on S. 1341, to provide for the transfer of certain lands to the Salt River Pima-Maricopa Indian Community and the city of Scottsdale, Arizona, after receiving testimony from Terrance L. Virden, Acting Director, Office of Trust Responsibilities, Bureau of Indian Affairs, Department of the Interior; and Mayor Herbert R. Drinkwater, and Ivan Makil, Salt River Pima-Maricopa Indian Community, both of Scottsdale, Arizona.

MEDICAID REFORM: NURSING HOME QUALITY

Special Committee on Aging: Committee concluded hearings on Medicaid reform issues, focusing on proposals to strengthen the enforcement of uniform Federal protections and standards for nursing home residents, after receiving testimony from Scott R. Severns, National Citizens' Coalition for Nursing Home Reform, and Sheldon L. Goldberg, American Association of Homes and Services for the Aging, both of Washington, D.C.; John F. Willis, Texas Department on Aging, Austin, on behalf of the National Association of State Ombudsman Program; Ellen T. Reap, Delaware Office of Health Facilities Licensing and Certification, Wilmington, on behalf of the Association of Health Facility Survey Agencies; Catherine Hawes, Research Triangle Institute, Research Triangle Park, North Carolina; Keith Weikel, Health Care and Retirement Corporation of America, Toledo, Ohio, on behalf of the American Health Care Association; William M. Russell, St. Elizabeth

Home, Baltimore, Maryland; Dorothy Garrison, Mobile, Alabama; Mildred Manning, New Market, Virginia; and Gloria Messerley, Linville, Virginia.

WHITEWATER

Special Committee To Investigate Whitewater Development Corporation and Related Matters: Committee met to continue to discuss the status of the hearings to examine issues relating to the President's involvement with the Whitewater Development Corporation.

Committee recessed subject to call.

House of Representatives

Chamber Action

Bills Introduced: 16 public bills, H.R. 2538–2553; 1 private bill, H.R. 2554; and 2 resolutions, H. Con. Res. 111, and H. Res. 246 were introduced.

Pages H10993–94

Reports Filed: Reports were filed as follows:

Conference report on H.R. 1905, making appropriations for energy and water development for the fiscal year ending September 30, 1996 (H. Rept. 104–293);

H.R. 2546, making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996 (H. Rept. 104–294); and

Conference report on H.R. 1868, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996. **Pages H10913–93**

Committees To Sit: The following committees and their subcommittees received permission to sit today during the proceedings of the House under the 5-minute rule: Committees on Commerce, Government Reform and Oversight, International Relations, the Judiciary, Resources, and Transportation and Infrastructure. **Page H10853**

Social Security Earnings Limit: By a yea-and-nay vote of 414 years to 5 nays, Roll No. 740, the House agreed to H. Con. Res. 109, expressing the sense of the Congress regarding the need for reform of the Social Security earnings limit. **Pages H10868–72**

Budget Reconciliation: By a yea-and-nay vote of 227 yeas to 203 nays, Roll No. 743, the House passed H.R. 2491, to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996.

Page H10872 (continued next issue)

Rejected the Gephardt motion to recommit the bill to the Committee on Budget with modifications to preserve and protect the health and income security of our seniors and our children and to achieve fairness by denying revenue reductions favoring the rich and excluding revenue increases on working class families and to retain section 5003 relating to Federal retirement provisions for Members of Congress and congressional employees (rejected by a yea-and-nay vote of 180 yeas to 250 nays, Roll No. 742). **(See next issue.)**

Agreed to the committee amendment in the nature of a substitute made in order by the rule (text of H.R. 2517, as modified by the rule).

(See next issue.)

Rejected the Orton amendment in the nature of a substitute that sought to balance the budget in 7 years without a tax cut; reduce mandatory and discretionary spending; cut Medicare by $170 billion over 7 years; cut Medicaid by $82 billion; not include language in the bill relating to pension provisions or student loans; and scale back cuts in agriculture, Federal employees retirement and the Earned Income Tax Credits (rejected by a recorded vote of 72 ayes to 356 noes, with 1 voting "present", Role No. 741). **(See next issue.)**

H. Res. 245, the rule under which the concurrent resolution and the bill were considered, was agreed to earlier by a recorded vote of 235 ayes to 185 noes, Roll No. 739. Agreed to order the previous question on the resolution by a yea-and-nay vote of 228 ayes to 191 nays, Roll No. 738. **Pages H10853–68**

Late Report: Conferees received permission to have until midnight tonight to file a report on H.R. 1868, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996. **(See next issue.)**

Legislative Program: The Majority Leader announced the legislative program for the week of October 30. Agreed to adjourn from Thursday to Monday. **(See next issue.)**

Calendar Wednesday: Agreed to dispense with Calendar Wednesday business of November 1.

(See next issue.)

Quorum Calls—Votes: Four yea-and-nay votes and two recorded votes developed during the proceedings

of the House today and appear on pages H10867, H10867–68, H10872 (continued next issue). There were no quorum calls.

Adjournment: Met at 9 a.m. and adjourned at 8:59 p.m.

Committee Meetings

DISTRICT OF COLUMBIA APPROPRIATIONS

Committee on Appropriations: Ordered reported a measure making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said district for the fiscal year ending September 30, 1996.

REFORM OF SUPERFUND ACT

Committee on Commerce: Subcommittee on Commerce, Trade, and Hazardous Materials continued hearings on H.R. 2500, Reform of Superfund Act of 1995. Testimony was heard from Representatives McIntosh, and Zeliff; Carol M. Browner, Administrator, EPA; Lois Schiffer, Assistant Attorney General, Department of Justice; Sheri W. Goodman, Deputy Under Secretary, Environmental Security, Department of Defense; Barry Johnson, M.D., Assistant Administrator, Agency for Toxic Substances and Disease Registry, Department of Health and Human Services; Douglas Hall, Assistant Secretary, NOAA, Department of Commerce; Langdon Marsh, Director, Department of Environmental Quality, State of Oregon; Martin J. McHugh, Office of Natural Resources, Department of Environmental Protection, State of New Jersey; and public witnesses.

PROPANE EDUCATION AND RESEARCH ACT

Committee on Commerce: Subcommittee on Energy and Power held a hearing on H.R. 1514, Propane Education and Research Act of 1995. Testimony was heard from public witnesses.

CIVIL SERVICE REFORM

Committee on Government Reform and Oversight: Subcommittee on Civil Service held a hearing on Civil Service Reform 11: Performance and Accountability. Testimony was heard from Evangeline W. Swift, Director, Office of Policy and Evaluation, Merit Systems Protection Board; and public witnesses.

UN: MANAGEMENT, FINANCE, AND REFORM

Committee on International Relations: Subcommittee on International Operations and Human Rights held a hearing on the United Nations: Management, Finance, and Reform. Testimony was heard from Representative Scarborough; Frank Ruddy, former Ambassador to Equatorial Guinea; and public witnesses.

PARENTAL RIGHTS AND RESPONSIBILITIES ACT

Committee on the Judiciary: Subcommittee on the Constitution held a hearing on H.R. 1946, Parental Rights and Responsibilities Act of 1995. Testimony was heard from Senator Grassley; Representatives Largent and Parker; and public witnesses.

PRIOR DOMESTIC COMMERCIAL USE ACT

Committee on the Judiciary: Subcommittee on Courts and Intellectual Property held a hearing on H.R. 2235, Prior Domestic Commercial Use Act of 1995. Testimony was heard from Dieter Holnkes, Senior Counsel, Office of Legislative and International Affairs, Patent and Trademark Office, Department of Commerce; and public witnesses.

METHAMPHETAMINE IN AMERICA

Committee on the Judiciary: Subcommittee on Crime held a hearing on the Rising Scourge of Methamphetamine in America. Testimony was heard from Thomas Constantine, Administrator, DEA, Department of Justice; and public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on National Parks, Forests and Lands held a hearing on the following bills: H.R. 2067, to facilitate improved management of National Park Service Lands; H.R. 2025, Park Renewal Fund Act; H.R. 2465, National Park Service Professionalization Act; and H.R. 2464, to amend Public Law 103–93 to provide additional lands within the State of Utah for the Goshute Indian Reservation. Testimony was heard from the following officials of the Department of the Interior: Roger Kennedy, Director, National Park Service; Wilma Lewis, Inspector General; and Mat Millenbach, Deputy Director, Bureau of Land Management; and public witnesses.

COMMITTEE BUSINESS

Committee on Standards of Official Conduct: Met in executive session to consider pending business.

FAA REVITALIZATION ACT

Committee on Transportation and Infrastructure: Subcommittee on Aviation approved for full Committee action amended H.R. 2276, Federal Aviation Administration Revitalization Act of 1995.

BUILDING SALE

Committee on Transportation and Infrastructure: Subcommittee on Public Buildings and Economic Development held a hearing on the sale of 501 First Street, S.E. Testimony was heard from Representatives Nussle and Brownback; George White, Architect of the Capitol; Gordon Creed, Deputy Assistant

Commissioner, Office of Property Disposal, Public Buildings Service, GSA; Harold Brazil, member, City Council, District of Columbia; Natalie Gitelman, Executive Director, Capitol Hill Child Care Center; and public witnesses.

THRIFT BAD DEBT RECAPTURE

Committee on Ways and Means: Held a hearing on H.R. 2494, Thrift Charter Conversion Tax Act of 1995. Testimony was heard from Cynthia Beerbower, Deputy Assistant Secretary, Tax Policy, Department of the Treasury; and public witnesses.

COMMITTEE MEETINGS FOR FRIDAY, OCTOBER 27, 1995

Senate

No meetings are scheduled.

House

No committee meetings are scheduled.

Next Meeting of the SENATE

9:15 a.m., Friday, October 27

Senate Chamber

Program for Friday: Senate will continue consideration of S. 1357, Budget Reconciliation.

Next Meeting of the HOUSE OF REPRESENTATIVES

12:30 p.m., Monday, October 30

House Chamber

Program for Friday: House will not be in session.

Extensions of Remarks, as inserted in this issue

HOUSE

Barcia, James A., Mich., E2035
Bass, Charles F., N.H., E2040
Bono, Sonny, Calif., E2036
Camp, Dave, Mich., E2036, E2038
Coleman, Ronald D., Tex., E2042
Collins, Cardiss, Ill., E2041
Farr, Sam, Calif., E2041
Gephardt, Richard A., Mo., E2040
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Markey, Edward J., Mass., E2035
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Sanders, Bernard, Vt., E2039
Schumer, Charles E., N.Y., E2040, E2042
Serrano, José E., N.Y., E2035, E2037, E2039, E2040, E2041, E2042
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Stark, Fortney Pete, Calif., E2033
Tauzin, W.J. (Billy), La., E2037
Taylor, Charles H., N.C., E2039
Vento, Bruce F., Minn., E2039

(House and Senate proceedings for today will be continued in the next issue of the Record.)

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